### General Terms of Business of MEFKON GmbH & Co. KG

#### I. Quotation, Contract Conclusion and Contract Content

- 1. All quotations, purchase and delivery contracts including repair contracts shall be subject to the following conditions. They shall be accepted by the Customer on awarding of the contract, but at the latest with acceptance of the first delivery and shall apply for the entire duration of the business relationship. Deviating purchase conditions of the Customer shall apply only with our written agreement. Changes of individual conditions shall not affect the remaining conditions. We hereby explicitly object to any counter-confirmation of the Customer referring to the validity of the Customer's general terms and conditions.
- 2. Our quotations are without obligation at all times. The contract shall only take effect upon our written confirmation and according to its content or by delivery.
- 3. We reserve the right to modify the design or form of the subject matter of the contract as a result of technical progress and without prior notice.
- 4. Assurances, collateral agreements and amendments to the contract require the written form to be valid. This requirement can only be waived in writing.
- 5. The Customer shall not be entitled to transfer rights from this contract to third parties without our prior agreement.

# **II. Prices and Conditions of Payment**

- 1. Our prices are in Euros from the point of sale, excluding packaging. The prices valid on the day of delivery shall apply. VAT in the respective legal amount shall be added to the prices.
- 2. Invoices are to be paid net within 30 days of the invoice date, excluding repair and wage costs, which are payable net within 14 days of the invoice date. The deduction of discounts is only permitted following written agreement.
- 3. The Customer may not offset counter-claims which are disputed or not legally binding. The same applies for the assertion of a right of retention by the Customer.

# III. Payment Delays, Reduction of Assets, Extension of Payment, Rescission

- 1. In the event of delayed payment of request for respite we shall be entitled subject to the assertion of a greater actual default claim to charge interest at 8 percentage points above the basic interest rate valid at the time.
- 2. In the event that the Customer is in delay with a payment or specific grounds exist for believing that he might become insolvent, we shall be entitled to only carry out outstanding deliveries and work against pre-payment of all claims, including those not yet due, and including exchange rates and deferred amounts or against appropriate provision of security. If the Customer fails to comply with our request for advance payment or the provision of security within a reasonable time, we shall be entitled to withdraw from the contract and to invoice the Customer for the costs incurred up to that time.
- 3. If the Customer has to return the delivered goods for any reason, he shall reimburse us for the utilisation which he has obtained or failed through his own fault to obtain from the time of delivery ex-works to the time of receipt of the returned goods at the factory.
- In the event of a rescission for which the Customer may be held responsible, the Customer shall also reimburse expenses incurred as a result of the contract and provide compensation for damage to the goods which was caused directly by the Customer or through a circumstance for which the Customer may be held responsible. Reimbursement shall be made for permission to use the goods with

allowance for the decrease in value. Section 287 (I) of the German Code of Civil Procedure [ZPO] shall apply for determination of the amount of reimbursement.

### IV. Delivery Time and Delivery Delay

- 1. Firm delivery terms/dates are only agreed if we expressly declare that the Customer may withdraw from the contract in the event of non-adherence to the term/the date.
- 2. The agreed delivery term shall commence on conclusion of the contract, but not before the complete provision by the Customer of all necessary documents, approvals and authorisations, and receipt of any agreed deposit. The adherence of the delivery time shall be contingent at all events on fulfilment by the Customer of his contractual obligations.
- 3. The delivery term shall be adhered to if before its expiry the object of delivery has left our workshop or the readiness of shipment has been declared. Subsequent modification or alteration requests by the Customer may result in an appropriate extension of the delivery schedule. The same shall apply in the event of unforeseen difficulties beyond our control such as force majeure, labour disputes, strikes, lock-outs or delays caused by our suppliers. We shall inform the Customer of the start and end of such difficulties as soon as possible. Should delivery be impossible as a result of these circumstances, we may withdraw from the contract without the Customer being entitled to assert claims of any kind on that account.
- 4. If the shipment and/or the acceptance of the object of delivery is delayed for reasons that the Customer is responsible for, the Customer shall be invoiced, starting a month after announcement of the readiness for dispatch and/or acceptance, for the costs incurred by the delay, in particular storage costs.

#### V. Delivery, Insurance, Transfer of Risk

- 1. We shall deliver uninsured ex works. Partial deliveries shall be permitted. In the absence of specific instructions, the selection of the transport route and the transport vehicles shall take place at our discretion without any liability for selecting the cheapest and fastest freight method. The packaging shall be, unless otherwise agreed, at our discretion. Costs shall be invoiced depending on the type of packaging material. Transport insurance may be taken out at the Customer's request and at his expense.
- 2. The risk of accidental loss and damage shall pass to the Customer at the latest on dispatch of the parts, even in the case of partial deliveries and the acceptance by us of other services, e.g. dispatch costs or delivery to site and installation. This applies independently of whether the object of purchase is delivered from the place of fulfilment, who is to pay the transport costs and whether we have other services to carry out, for example transfer costs or delivery and assembly.
- 3. If the dispatch is delayed as a result of circumstances for which the Customer is responsible, then the risk shall pass to the Customer on the date of notification of readiness for shipment.

### VI. Acceptance Delay

If the Customer fail to accept the contract item on schedule, or culpably breaches other cooperation obligations, then we shall be entitled to demand compensation for damage incurred in this regard, including any extra expenses. Further claims remain reserved. Insofar as the aforementioned conditions are in place, the risk of accidental loss and accidental deterioration of the object of purchase transfers to the Customer at the point in time at which the Customer enters into default of acceptance or payment.

#### VII. Ownership, Extended Retention of Ownership, Current Account

- 1. We shall retain unrestricted title to the delivered items until payment in full of the purchase price including all additional claims or clearing of the debit balance in the case of repeat or regular business transactions. In the case of regular transactions the individual items in the current account shall not be treated separately. The goods delivered by us shall remain our property until full settlement of all our claims irrespective of their legal basis; in case of payment by cheque or bill of exchange this shall apply until their redemption and appropriate crediting of our account.
- 2. The Customer may only sell our reserved goods in the course of normal business and only provided that he is not in arrears of payment. He may only resell the goods to his own customers with retention of title. He shall not be entitled to other disposals of the reserved goods.
- 3. If the delivered goods under retention of ownership are connected to or mixed with other products, then the seller shall gain co-ownership of the new product or the mixed stock.
- 4. If the goods delivered under retention of ownership or the new products manufactured from them regardless of condition are resold, processed, installed or used by the Customer in another way, then the Customer shall already at this point transfer to us all claims and additional rights with respect to third parties arising out of the sale or/and processing or the installing, until complete settlement of all our claims as a result of goods delivered. If a new object or stock produced through such connecting or mixing is resold, processed or installed, then the assignment shall be extended to the sum which corresponds to the value of our share in the co-ownership. The Customer also remains entitled to redeem the claim after this assignment. Our authorisation to collect the claim ourselves remains unaffected by this. We are obliged, however, not to collect the claims insofar as the Customer has met the Customer's payment obligations from the revenue taken in, is not in default of payment and, in particular, is not subject to an application for opening an insolvency process or no suspension of payment is in place. If this is the case then we are entitled to demand that the Customer inform us of the assigned claims and their debtors, give us all the necessary information to call up the claims and the supporting documentation and inform the debtors of the assignment.
- 5. We undertake at our discretion and on request to release guarantees which exceed unpaid liabilities by more than 20%.
- 6. In the event of payment delays, a threat of suspension of payment or if bankruptcy or bill protests against the Customer are in place, we are entitled, after setting an appropriate deadline, to take back the reserved goods. The Customer is obliged to issue them. The taking back of the object of purchase shall not indicate any withdrawal from the contract.
- 7. The Customer shall inform us immediately of any pledging or other impairment of our reserved goods by third parties. All costs incurred by third party attachment are to be borne by the Customer. The repayment obligation shall be waived insofar as our legal action was unsuccessful or the obliged third party carries out their obligation towards us.
- 8. The Customer shall be obliged to handle the accepted reserved products with care and, in particular, he shall undertake to insure these at his own expense to an adequate extent against fire, water and theft damages at their new value.
- Insofar as maintenance and inspection works are required, the Customer shall carry these out promptly at his own expense.

# VIII. Set Up, Assembly and Commissioning

- 1. The Customer shall take over and provide in good time the following at his own expense:
- all earth, construction and other unrelated industry extra work, including the necessary technical assistants, building materials and tools.
- the items and materials required for assembly and commissioning, such as scaffolding, lifting equipment and other appliances, combustibles and lubricants.
- energy and water at the place of use including the connections, heating and lighting.
- sufficiently large and suitable dry and lockable rooms at the place of assembly for keeping the machinery parts, tools etc. and appropriate work and break rooms for the assembly staff, including sanitary facilities. Furthermore, the Customer shall ensure the protection of the assembly staff and the property of the supplier.
- protective clothing and protective equipment which are necessary at the place of assembly on grounds of special circumstances.
- 2. Before the start of the set-up, assembly or commissioning, the necessary preparations and objects shall be available at the place of assembly and all preparatory work shall be as far advanced as possible so that the set-up, assembly or commissioning can be carried out according to the agreement and without interruption.
- 3. If the set-up, assembly or commissioning is delayed by circumstances the supplier is not responsible for, then the Customer shall pay the full costs for the waiting time and, if applicable, the travel costs necessary for the supplier or the assembly staff.
- 4. The Customer shall certify the working hours daily for the supplier and/or the supplier's assembly staff.
- 5. After conclusion of the set-up, assembly or commissioning, acceptance, unless otherwise agreed, shall take place immediately. If this does not happen, then the acceptance will be considered carried out as soon as the object of delivery is used.
- 6. The supplier has the right to dispense with the provision of staff for setting up, assembly or commissioning if there are concerns regarding the life, health or safety of the supplier's employees.

### IX. Material Defect Liability

- 1. The Customer is obliged to inspect the goods upon receipt and to report any faults to us immediately, but at the latest 5 working days after their discovery. If the Customer has already further processed the products, resold them or transported them onwards, we reserve the right to undertake an exact and close examination. We do not regularly assume that the delivered products are defective at the time of acceptance.
- 2. With regard to buyers who are companies, legal public law entities or a public law special fund, we limit the liability for material defects to a year for products purchased as new. We are not liable for products that are sold as used.
- 3. We have the choice of whether to deliver a defect-free product in exchange or whether to remedy the defect. In order to undertake all the supplementary performance measures, the Customer shall allow us the necessary time and opportunity, otherwise we shall be released from the defect liability.
- 4. No defect liability is accepted for damage caused by unsuitable or improper usage, defective or neglectful handling or maintenance, unsuitable operating materials or replacement materials, defective integration work and/or commissioning by the Customer or a third party, natural wear and tear or deterioration, excessive load as well as influences contrary to the intended purpose of the products. Inappropriate changes made by the Customer or third parties without our prior authorisation or maintenance work shall also release us from our defect liability. If subsequent

improvement or replacement is not possible or ultimately fails or is unreasonably delayed, the Customer may choose to demand a reduction in price or may withdraw from the contract. Expenses incurred due to the purchased goods having been taken to a different location than the headquarters or the branch of the Customer shall not be covered by us, unless this corresponded to the contractual usage.

5. If the Customer as a company has resold the newly manufactured products to a third party and had to take back the products as a result of their defectiveness or if the consumer reduced the purchase price for this reason, then, after expiry of the agreed guarantee term, the provisions of section 478 of the German Civil Code [*BGB*] and the rules of the German Commercial Code [*HGB*] apply, in particular the inspection and complaint obligations. We may, however, decline the supplementary performance, the reduction in the purchase price or withdrawal from the contract, if we provide an equal value replacement in money (for example discounts on future orders).

6. Other guarantee or replacement claims are excluded, unless otherwise stipulated in number XI.

# X. Liability for Strict Liability Claims

- 1. Our technical advice, verbal and in writing, as well as recommendations, calculations, projections etc. only serve to explain the best possible usage of our products to the Customer. They do not release the Customer from the obligation to verify the suitability of our products for the purpose intended by the Customer.
- 2. Concerning breach of contractual and non-contractual obligations, in particular in the event of impossibility, delay, fault in the contract approach and unpermitted handling, we shall only be held liable in the event of malicious intent and gross negligence. Furthermore, we shall only be held liable for culpable breach of significant contract obligations in the contract concluded with the Customer. A significant contract obligation in this regard is the obligation to create ownership and possession of the products. The aforementioned regulations apply to the same extent to our performing and vicarious agents.
- 3. These limitations shall not apply in the event of mandatory liability pursuant to the product liability law, of damage to life and health and also not and to the extent that we fraudulently denied defects in the products, or guaranteed absence of them.

#### XI. Guarantee

- 1. If we promise an additional guarantee, we shall only do this in writing and expressly with the signature of an authorised representative body. In particular, descriptions of the object of purchase in prospectuses or advertisements do not give grounds for a guarantee deviating from the legal rights. However, evidence of the agreement remains reserved for the Customer.
- 2. Our defect liability for third party products or parts not manufactured by ourselves is limited to the assignment of the claims against our suppliers, insofar as the defects are not in our area of responsibility. If the compensation in the course of the assigned rights fails for example on grounds of insolvency etc., we are only liable in substitution in the framework of these regulations.

### XII. Product Information, Applicable Language

- 1. Information, for example in brochures, prospectuses, catalogues, price lists etc. is not part of the contract unless specifically agreement. Such information contains no legally binding declarations, and do not justify the assumption of guaranteed properties, other independent commitments or specific instructions for usage. This is also true for certifications of conformity or standards.
- 2. If orders or correspondence are not carried out in the German language, the documents in the German language are decisive for the determination of the contract content. We are not liable for any errors in translation.

# XIII. Drafts, Secrecy

- 1. We retain ownership and proprietary rights to drafts, sketches and other documents with the exception of advertising print materials. These shall not be made accessible to third parties and on demand must be returned to us.
- 2. The contract partners are obliged to treat all manifest details, which have become known to one another through the business relationship as business secrets.

#### XIV. Place of Fulfilment, Applicable Law, Place of Jurisdiction

- 1. The law of the Federal Republic of Germany shall apply under exclusion of the UN sales law.
- 2. The place of fulfilment for deliveries and payments is our company headquarters. If the Customer is a commercial entity, legal entity of public law or a public law special fund, then the place of jurisdiction shall be our company headquarters. We can also bring cases at the Customer's headquarters.
- 3. If the Customer's headquarters are abroad then all disputes arising from the contract or which refer to breach of such, liquidation or invalidity shall be finally decided according to the arbitration and conciliation order for the responsible court of arbitration in Vienna. An arbitrator shall be determined.
- 4. If a condition of these regulations and the affected further agreements is ineffective or becomes ineffective, this shall not affect the validity of the remainder of the contract. The contract partners shall replace the ineffective condition by a regulation that comes as close as possible to the economic outcome of the ineffective condition.

Willroth, 2017