

General Terms and Conditions

Steinmeyer Mechatronik GmbH

§ 1 General – Scope

(1) Our terms of sale apply exclusively; we do not recognize contrary terms of the ordering party or terms deviating from our own, unless we have expressly consented to them in writing. Our terms of sale also apply if we complete the delivery to the ordering Party without reservation and in full awareness of contrary terms of the ordering party or terms that deviate from our own.

(2) All agreements that are concluded between us and the ordering party for the purposes of executing this contract are set down in writing in this contract.

(3) Our terms of sale only apply to persons who act in the exercise of their commercial or independent professional capacity in the conclusion of the contract (business persons) and to legal persons under public law and/or special estates under public law; with respect to non-business persons additional provisions of law apply.

§ 2 Bid – Tender Documents

(1) To the extent not otherwise agreed, a supply contract is established with our written order confirmation.

(2) We retain ownership and copyright on illustrations, drawings, calculations and other documents. This also applies to those documentation that are labeled as “confidential”. The ordering party requires our expressed written permission to share with third parties.

§ 3 Prices –and Terms of Payment

(1) To the extent that nothing else proceeds from the confirmation of contract, our prices apply “ex works” excluding packing and insurance.

(2) The legally mandated VAT is not included in our prices; it will be listed separately on the invoice in the legally mandated amount on the day the invoice is issued.

(3) The deduction of the discount requires specific written agreement.

(4) The sale price is to be paid as stated in the order confirmation to the extent that nothing else is agreed upon, without any discount.

(5) The ordering party is only entitled to offsetting only if its counter-claims are legally established, undisputed or have been recognized by us. Additionally the ordering party is only entitled to exercise the right of Retention to the extent that its counter-claim derives from the same contractual relationship.

§ 4 Delivery Period

(1) The start of the stated delivery period derives from the agreements made but does assume the subsequent resolution of all technical and commercial questions.

(2) The fulfillment of our delivery obligations also assumes the timely and proper fulfillment of the ordering party’s obligations, such as presentation of the required official certificates or permits or the payment of an advance. If this is not the case this delivery time will be extended proportionally. This does not apply to the extent that we are responsible for the delay.

(3) Compliance with the delivery deadline is subject to the reservation of correct and timely self-supply. Any delays that occur will be communicated as early as possible. The delivery deadline is met if the delivery object has left our factory by its expiration date or readiness for dispatch has otherwise been reported. To the extent that acceptance must be completed, the acceptance deadline is authoritative, otherwise the registration of readiness for acceptance.

(4) If failure to meet the delivery deadline is attributable to force majeure, labour disputes or other events that lie outside of our ability to influence, the delivery period will be extended proportionally. We will inform the ordering party of the onset of any such conditions as early as possible.

(5) If the ordering party comes into default of acceptance or culpably violates its other duties of cooperation, we are entitled to demand compensation for the damages including any added expenses. More extensive claims remain reserved. To the extent that the aforementioned preconditions are fulfilled, the risk of accidental loss or pejoration of the object of purchase transfers to the ordering party on the date on which that party comes into default of acceptance or payment; the ordering party remains obligated to provide counter-consideration.

(6) To the extent that default of delivery is attributable to an intentional or grossly negligent breach of contract on our part, we are liable according to the provisions of law. Otherwise our liability for compensation for damages is restricted to the foreseeable, typically occurring types of damages.

(7) If we enter default of delivery and this results in a loss [damages] to the ordering party, the ordering party is entitled to demand lump-sum compensation for default in the amount of 0.5% of the value of that part of the total delivery that was cannot be used on-time and in the contractually-agreed-upon manner per week, not however exceeding more than 5% of that total value.

(8) The ordering party is entitled to withdraw from the contract after having granted us a suitable grace period for performance after the deadline if we fail to meet this grace period as well.

§ 5 Transfer – Acceptance

(1) To the extent that nothing else proceeds from the confirmation of contract, delivery „ex works“ is agreed upon, meaning the risk for loss or damage to the object of delivery transfers to the ordering party as soon as the object is made available to that party in our factory in the contractually specified condition or readiness for dispatch is communicated.

(2) To the extent that acceptance must be performed, it is authoritative for the transfer of risk. It must be completed by the acceptance deadline, preferably after we have reported readiness for acceptance. The ordering party is entitled to refuse acceptance if an insignificant defect is detected.

(3) If dispatched or acceptance is delayed or not completed due to circumstances for which we cannot be held responsible, the risk transfers to the ordering party from the day on which readiness for shipping and/or acceptance is reported. We are obligated to the extent demanded by the ordering party to conclude a corresponding insurance policy at its cost.

(4) Partial shipments are permitted.

(5) Transport materials and other packaging based on the standards of the packaging ordinances will not be recovered; pallets are the exception. The ordering party is obligated to dispose of the packaging at own cost.

(6) To the extent desired by the ordering party, we will cover the shipment with a transport insurance policy; the costs accrued for this will be borne by the ordering party.

§ 6 Defect Claims

(1) Defect claims asserted by the ordering party assume that the ordering party has fulfilled its legal obligations to inspect and report defects owed under § 377 HGB [German Commercial Code] and has reported defects immediately.

(2) We accept no guarantee obligations, especially not in the following cases: Unsuitable or improper use, defective or negligent handling, improper maintenance, unsuitable consumables or fuels, deficient construction, unsuitable construction site, chemical or electrical influences, to the extent that we are not responsible for them. If the ordering party or a third party attempts to remedy the defect improperly, there is likewise no liability on our part for any of the consequences. The like applies to any changes made in the object of delivery without our consent.

(3) In the case of complaints or returns, the ordering party must observe and comply with the regulations governing the return of goods (RMA-regulations). This applies especially for providing all necessary information to facilitate identification of the defective functionality in the product. This would include specifically the information requested in the return of goods form (RMA-form). This information is a precondition for successful remediation of defect. The RMA-form can be obtained directly by Steinmeyer Mechatronik GmbH. To the extent that a defect is established in the delivery object, the ordering party, at its discretion, is entitled to subsequent fulfillment in the form of remediation of defect or by providing a new item free of defect. If subsequent fulfillment fails, the ordering party is entitled at its own discretion to demand withdrawal or reduction.

(4) We are only liable to provide compensation for damages, to the extent that the defect is attributable to malicious intent or gross negligence on our part. In the case of culpable breach of contract, compensation for damages is limited to foreseeable, typically occurring damages.

(5) Liability due to culpable injury to life or limb or health remains unaffected by the provision above; This also applies to compulsory liability under the German Product Liability Act. To the extent that no other provisions are made, liability is excluded.

(6) The expiration date for defect claims is 12 months, reckoned from the date risk was transferred.

§ 7 Reservation of Title

(1) We reserve ownership of the delivery object until all payments deriving from the delivery contract have been received. In the event of a breach of contract on the part of the ordering party, we are entitled to recover the purchase object. Our act of recovering the purchase object does not constitute withdrawal from the contract unless we state this expressly in writing. If we place a lien on the purchase object, this always constitutes withdrawal from the contract. After recovery of the purchase object we are entitled to sell it; the revenues from the sale are to be credited to the ordering party's obligations minus reasonable expenses for utilization.

(2) The ordering party is obligated to treat the purchase object carefully; the ordering party is especially obligated to adequately insure it to full replacement cost against fire, water and theft losses. To the extent that maintenance and inspection work is required the ordering party must carry these out in a timely fashion and at own cost.

(3) The ordering party is entitled to re-sell the purchase object in a regular Business transaction; however the ordering party cedes all claims against its buyer or third parties that derive from the re-sale to us in the amount of the final invoiced amount (including VAT) of our here and now and this regardless of whether the purchase object was re-sold after additional processing or not. The ordering party is also authorized to collect this claim under terms of the cession. However, our right to collect the claim ourselves is not affected by this. We are however obligated not to collect the claim as long as the ordering party fulfills its payment obligations from the revenues collected, does not come into default of payment and especially no petition to initiate bankruptcy, composition or insolvency proceedings has been presented. However, if this is the case, we can demand that the ordering party identify the ceded claims their debtors, makes all disclosures required for collection, surrenders the necessary documents and communicates the cession to the debtors (third parties).

(4) The processing or alteration of the purchase object by the ordering party will always be done for our benefit. If the purchase object is processed with other objects that do not belong to us, we obtain co-ownership of the new object in proportion to the value of the purchase object (final invoiced amount including VAT) to that of the other objects processed at the time they are processed. The same provisions apply to the object created by this processing as for the purchase object that we delivered under reservation of title.

(5) If the purchase object is inseparably combined with other objects not belonging to us we obtain co-ownership in the new object in proportion to the value of the purchase object (final invoiced amount including VAT) to that of the other objects combined at the time they were combined. If this combination is completed in such a way that the ordering party's object is to be regarded as the main

object, it is agreed that the ordering party transfers co-ownership to us proportionally. The ordering party will take the property so produced into safe keeping for us.

(6) Here and now the ordering party also cedes to us the claims against a third Party securing our claims against it that arise in connection with the combination of the purchase object with a real estate property.

(7) We are obligated to release the securities owed to us on demand from the ordering party to the extent that the realizable value of our securities exceeds the claims being secured by more than 10%; we may exercise our discretion in selecting which securities to release.

§ 8 Legal Defects

(1) Should the use of the object of delivery infringe on protected commercial rights or copyrights domestically, we will acquire rights of continued use for the ordering party at our own cost or modify the object of delivery for the ordering party in a reasonable way that eliminates the infringement.

(2) Should this not be feasible under financially reasonable conditions or in a reasonable period of time, the ordering party is entitled to withdraw from the contract. Under these preconditions however we are also entitled to withdraw from the contract.

(3) Additionally we will indemnify the ordering party against undisputed or legally established claims with respect to the holders of these protected rights in question.

(4) The aforementioned provisions however are only in effect if

- the ordering party informs us immediately of any assertion of claims of infringement on copyrights or other protected rights,

- the ordering party provides us with appropriate support in the legal defense against the assertion of these claims and/or facilitates the completion of any measures of modification,

- all measures of legal defense remain reserved to us include that of out-of court settlement,

- the legal defect does not derive from an instruction given by the ordering party,

- the legal infringement was not caused by the ordering party altering the delivery object itself or using it in a manner contrary to the contract.

§ 9 Applicable Law, Court of Jurisdiction, Place of Fulfillment

(1) To the extent that the ordering party is a businessman, our business Headquarters is the court of jurisdiction; however, we are entitled to bring legal actions against the ordering party at that party's legal domicile.

(2) The law of the Federal Republic of Germany applies; the United Nations Convention on Contracts for the International Sale of Goods is excluded.

(3) To the extent that nothing else proceeds from this confirmation of contract, our business headquarters is the place of fulfillment.