General Terms and Conditions of the PARTZSCH Group

I. General provisions
1. Legal relations between Supplier and Purchaser in connection with supplies and/or services of the Supplier (hereinafter referred to as ‘Suppliers’) shall be solely governed by our sales terms and delivery conditions accepted by the Purchaser when placing the order. This also applies to future business if the Terms and Conditions have been communicated to the Purchaser when confirming an order even if there is no express reference to them. 2. If the Purchaser does not agree to any of the Terms and Conditions, the Supplier reserves the right to place the order in writing but only after delivery if the Supplier is not in the process of providing the business transaction. 3. The Supplier hereunder reserves any and all industrial property rights and/or copyrights pertaining to its cost estimates, drawings and other documents (hereinafter referred to as ‘documents’). The documents shall not be made accessible to third parties without the Supplier’s prior written consent. The Purchaser shall, upon request, return the documents without undue delay to the Supplier if the contract is not awarded to the Supplier. Sentences 1 and 2 shall apply mutatis mutandis to the Purchaser’s documents; these may, however, be made accessible to third parties without the Supplier’s prior written consent if the Supplier, in its sole discretion, deems it necessary. If the Retained Goods are sold on together with other items and no individual statements of account are issued with regard to the Retained Goods, all claims for damages in lieu of performance are excluded in all cases of delayed supplies, even upon expiry of a time set to the Supplier to effect the supplies. This shall not apply in cases of liability based on intent, gross negligence, or due to loss of life, bodily injury or damage to health. Retained Goods delivered under these conditions are not subject to limitations of a remedy period set by the Supplier; the statutory provisions providing that a remedy period is not needed shall be unaffected. The Purchaser shall be obliged to return the Retained Goods in case the Supplier takes back Retained Goods and/or exercises the retention of title, or has the Retained Goods seized shall not be construed to constitute rescission of the contract, unless the Supplier so expressly declares.

II. Offers and contract conclusion
1. Our offers are non-binding insofar as they do not explicitly state that they are binding. 2. The offer is deemed accepted by the Purchaser if the order is sent within 14 days of the order confirmation, such deviations as are usual in the market sector shall be permissible without the Supplier’s prior consent and shall, upon request, be returned without undue delay to the Supplier if the contract is not awarded to the Supplier. Sentences 1 and 2 shall apply mutatis mutandis to the Purchaser’s documents; these may, however, be made accessible to third parties without the Supplier’s prior written consent if the Supplier, in its sole discretion, deems it necessary.

III. Prices, terms of payment, and set-off
1. Only the prices specified in our order confirmation are definitive. Additional services shall be invoiced separately. 2. We are entitled to assign claims resulting from our business relationships. 3. Prices are ex works and excluding packaging; value added tax shall be added at the then applicable rate, unless something else is explicitly agreed with the customer. 4. If no payment is agreed for assembly or erection, and unless otherwise agreed, the Purchaser shall pay the agreed remuneration and any incidental costs required e.g. for traveling and transport as well as allowances. 5. In case of delay of payment caused by the Purchaser, all claims become due immediately. 6. All payments with debt discharging effect have to be made to the account owned by Coface Finanz GmbH, Isaac-Fulda-Allee 1, 55124 Mainz. We have assigned our current and future claims resulting from our business relationships to this company. We have also assigned our retention of title to this company.

IV. Retention of title
1. The items pertaining to the Supplies (‘Retained Goods’) shall remain the Supplier’s property even if the Purchaser has assigned the Retained Goods to a third party. The Purchaser shall, in the business relationship, be entitled to hold the Retained Goods. The combined value of the Supplier’s security interests exceeds the value of all secured claims by more than 20 %, the Purchaser shall release a corresponding part of the security interest if so requested by the Purchaser; the Supplier shall bear the corresponding costs which the Purchaser may prove to have been incurred as a result of the delay.

V. Periods for deliveries; delay
1. Times set for supplies shall only be binding if all documents to be furnished by the Purchaser, necessary permits and approvals, especially concerning plans, are received in time. 4. The Purchaser shall attest to the hours worked by the erection personnel towards the Purchaser when confirming an order even if there is no express reference to them. This also applies to future business if the Terms and Conditions have been communicated to the Purchaser when confirming an order even if there is no express reference to them. 5. If the Purchaser does not agree to any of the Terms and Conditions, the Supplier reserves the right to place the order in writing but only after delivery if the Supplier is not in the process of providing the business transaction. 6. The Purchaser shall inform the Supplier forthwith of any seizure or other act of intervention by third parties. If a reasonable interest in can be proven, the Purchaser shall, without undue delay, provide the Supplier with the information and/or documents necessary to assert the claim it has against its customers. 7. Where the Purchaser fails to fulfill its duties, fails to make payment due, or otherwise violates its obligations the Supplier shall be entitled to rescind the contract and take back the Retained Goods. If the Purchaser is in default, the Supplier reserves the right to follow up on any statutory or remedy period set by the Supplier; the statutory provisions providing that a remedy period is not needed shall be unaffected. The Purchaser shall be obliged to return the Retained Goods in case the Supplier takes back Retained Goods and/or exercises the retention of title, or has the Retained Goods seized shall not be construed to constitute rescission of the contract, unless the Supplier so expressly declares.

VI. Pass ing of risk
1. Where delivery has been agreed free freight, the risk shall pass to the Purchaser as follows: a) if the delivery includes assembly or erection, at the time when it is shipped or picked up by the carrier. Upon the Purchaser’s request, the Supplier shall insure the delivery against the usual risks. If the Purchaser accepts the delivery, the Purchaser may be charged for insurance; for every additional month commenced, storage costs of 0,5 % of the price of the items of the supplies, but in no case more than a total of 5 %. The parties to the contract may prove that higher or, as the case may be, lower storage costs have been incurred.

VII. Assembly services
Unless otherwise agreed in written form, assembly and erection shall be subject to the following provisions: 1. The Supplier shall at its own expense and in due time: a) ancillary work outside the Supplier’s scope, including the necessary skilled and unskilled labor, construction materials and tools; b) the equipment and materials necessary for assembly and commissioning such as scaffolds, lifting equipment and other devices; c) hindrances attributable to German, US or otherwise applicable national, EU or international rules of foreign trade law or to other circumstances for which Suppliers is not responsible; d) the fact that the Supplier does not receive its own supplies in due time or in due form such times shall be extended accordingly. 3. The Supplier shall place claims for damages for delay due to supplied as claims for damages in lieu of performance are excluded in all cases of delayed supplies, even upon expiry of a time set to the Supplier to effect the supplies. This shall not apply in cases of liability based on intent, gross negligence, or due to loss of life, bodily injury or damage to health. Retained Goods delivered under these conditions are not subject to limitations of a remedy period set by the Supplier; the statutory provisions providing that a remedy period is not needed shall be unaffected. The Purchaser shall be obliged to return the Retained Goods in case the Supplier takes back Retained Goods and/or exercises the retention of title, or has the Retained Goods seized shall not be construed to constitute rescission of the contract, unless the Supplier so expressly declares.

VIII. Receiving supplies
The Purchaser shall not refuse to receive supplies due to minor defects.
IX. Warranty and reprimand
In accordance with §377 HGB (German Commercial Code), the customer is obliged to inspect the deliveries carefully for completeness and good condition immediately upon receipt. The customer must raise claims for defects immediately in writing. The receipt of a written notice (also by fax or email) shall be definitive. The Supplier shall be liable for defects as to quality as follows:
1. Defective parts or defective services shall be, at the Supplier’s discretion, repaired, replaced or provided again free of charge, provided that the reason for the defect had already existed at the time when the risk passed.
2. Claims for repair or replacement are subject to a statute of limitations of 12 months calculated from the start of the statutory statute of limitations; the same shall apply mutatis mutandis in the case of rescission and reduction. This shall not apply where long-term risks are prescribed by Sec. 448 para. 1 No. 2 (buildings and things used for a building), Sec. 479 para. 1 (right of recourse), and Sec. 634a para. No. 2 (defects of a building) German Civil Code („Bürgerliches Gesetzbuch“), in the case of intent, fraud, lack of care or non-compliance with guaranteed characteristics („Beschaffenheitsgarantie“). The legal provisions regarding suspension of the statute of limitations („Ablaufhemmung“, „Hemmung“) and recommencement of limitation periods shall be unaffected.
3. In the case of notification of a defect, the Purchaser may withhold payments to an amount that is in a reasonable proportion to the defect. The Purchaser, however, may withhold payments only if the subject-matter of the notification of the defect involved is justified. If the Purchaser has not notified the Supplier of the defect within a reasonable time,
4. The Purchaser shall have the opportunity to repair or to replace the defective good („Nacherfüllung“) within a reasonable period of time.
5. If repair or replacement is unsuccessful, the Purchaser is entitled to rescind the contract or reduce the remuneration; any claims for damages the Purchaser may have according to No. 10 shall be unaffected.
6. There shall be no claims based on defect in cases of insignificant deviations from the agreed quality, of only minor impairment of usability, of natural wear and tear, or damage arising after the passing of risk from faulty or negligent handling, unsuitable equipment, or claims based on particular external influences not assumed under the contract. Claims based on defects attributable to improper modifications or repair work carried out by the Purchaser or third parties and the consequences there of are also excluded.
7. The Purchaser shall have no claim for damages based on defects. This shall not apply to the extent that a defect has been fraudulently concealed, the guaranteed characteristics are not complied with, in the case of loss of life, bodily injury or damage to health, and/or intentionally or grossly negligent breach of contract on the part of the Supplier. The above provisions do not imply a change in the burden of proof to the detriment of the Purchaser.

X. Production according to customer instructions
1. In case of production according to customer drawings, samples and other instructions, we provide no guarantee and accept no liability for the functionality of the product or for other defects insofar as these circumstances are due to the customer’s instructions.
2. The customer shall release us from possible third party claims against us, including product liability claims, for damages caused by the product unless we have caused such damage deliberately or through gross negligence ourselves.
3. The customer accepts liability towards us that the goods produced and supplied in accordance with his instructions do not violate any third party protection rights. Should protection rights be asserted against us, we are entitled, without any legal examination of such possible claims and after consulting with the customer, to rescind from the contract unless such third party draws his assertion of protection rights in a written declaration to the Contract within 8 days. The customer must reimburse us for any incurred costs we may have incurred by the assertion of such protection rights. In case of rescission, the work previously performed by us must be remunerated. Further rights in accordance with the legal provisions shall remain unaffected.
4. Such moulds, tools and construction drawings as we have produced to carry out the order are exclusively our property. The customer is not entitled to claims upon them, even if he participates in the costs for the production of moulds, tools and construction documents unless other arrangements have been explicitly agreed.

XI. Conditional performance
1. The performance of this contract is conditional upon that no hindrances attributable to German, US or otherwise applicable national, EU or international rules of foreign trade law or any embargos or other sanctions exist.
2. The Purchaser shall provide any information and documents required for export. Transport and import purposes.

XII. Conditional performance; adaptation of contract
1. To the extent that delivery is impossible, the Purchaser is entitled to claim damages, unless the Supplier is not responsible for the impossibility. The Purchaser’s claim for damages is, however, limited to an amount of 10 % of the value of the part of the supplies which, owing to the impossibility, cannot be put to the intended use. This limitation shall not apply in the case of liability based on intent, gross negligence or loss of life, bodily injury or damage to health; this does not imply a change in the burden of proof to the detriment of the Purchaser. The Purchaser’s right to rescind the contract shall be unaffected.
2. Where events within the meaning of article V No. 2 (a) to (c) substantially change the economic importance or the contents of the supplies or considerably affect the Supplier’s business, the contract shall be adapted taking into account the principles of reasonableness and good faith. To the extent this is not justifiable for economic reasons, the Supplier shall have the right to rescind the contract. The same applies if required export permits are not granted or cannot be used. If the Supplier intends to exercise its right to rescind the contract, it shall notify the Purchaser thereof without undue delay after having realized the repercussions of the event; this shall also apply even where an extension of the delivery period has previously been agreed with the Purchaser.

XIII. Impossibility of performance; adaptation of contract
1. To the extent that delivery is impossible, the Purchaser is entitled to claim damages, unless the Supplier is not responsible for the impossibility. The Purchaser’s claim for damages is, however, limited to an amount of 10 % of the value of the part of the supplies which, owing to the impossibility, cannot be put to the intended use. This limitation shall not apply in the case of liability based on intent, gross negligence or loss of life, bodily injury or damage to health; this does not imply a change in the burden of proof to the detriment of the Purchaser. The Purchaser’s right to rescind the contract shall be unaffected.
2. Where events within the meaning of article V No. 2 (a) to (c) substantially change the economic importance or the contents of the supplies or considerably affect the Supplier’s business, the contract shall be adapted taking into account the principles of reasonableness and good faith. To the extent this is not justifiable for economic reasons, the Supplier shall have the right to rescind the contract. The same applies if required export permits are not granted or cannot be used. If the Supplier intends to exercise its right to rescind the contract, it shall notify the Purchaser thereof without undue delay after having realized the repercussions of the event; this shall also apply even where an extension of the delivery period has previously been agreed with the Purchaser.

XIV. Other claims for damages
Unless otherwise provided for in the present GL, the Purchaser has no claim for damages based on whatever legal reason, including infringement of duties arising in connection with the contract or tort.
1. This does not apply if liability is based on:
   a) intent;
   b) gross negligence on the part of the owners, legal representatives or executives;
   c) fraud;
   d) failure to comply with a guarantee granted;
   e) negligent injury to life, limb or health; or
   f) negligent breach of a fundamental condition of contract („wesentliche Vertragspflichten“).

XV. Venue and applicable law
1. Sole venue for all disputes arising directly or indirectly out of the contract shall be at our choice place of business or Mainz.
2. This contract and its interpretation shall be governed by German law, to the exclusion of the United Nations Convention on contracts for the International-Sale of Goods (CISG).

XVI. Severability clause
The legal invalidity of one or more provisions of this Agreement in no way affects the validity of the remaining provisions. This shall not apply if it would be unreasonably onerous for one of the parties to be obligated to continue the contract.

Döbeln, March 2017