

## **General Terms & Conditions of Business (B2B)**

of HANS HALL GmbH, Krügerstrasse 11, 88250 Weingarten, hereinafter Seller.

### **Section 1 General**

(1) These terms and conditions shall apply to all business dealings with the customer. These terms and conditions shall apply in particular to contracts on the sale and/or the supply of goods (in the following also: products), no matter whether the Seller has manufactured the goods or has brought them from suppliers (purchase and service delivery contract pursuant to Article 433, 651 German Civil Code). These terms and conditions shall apply in their respective version(s) as a framework agreement, including for future contracts pertaining to the sale and/or supply of goods with the same customer, without the Seller having to refer to them again in each individual case. In this case, the Seller shall immediately inform the customer of any changes to the terms and conditions in written or in text form according to Article 126 a German Civil Code.

(2) In terms of these terms and conditions customers are exclusively businesses (section 14 of the German Civil Code), corporate bodies under public law or special fund under public law.

(3) The General Terms and Conditions of the Seller shall apply exclusively. Any differing, contradictory or supplementary terms and conditions shall not form part of the Agreement unless their validity has been expressly approved in writing by the Seller. The Seller's approval shall also be required if the Seller completes deliveries for the Client unreservedly in the knowledge of the differing or contradictory terms and conditions of the latter.

(4) Individual agreements such as alterations amendments and ancillary agreements shall always have priority over these terms and conditions. The content of such individual agreements responds to the written format and the confirmation of the Seller, unless the contrary is proved by the Client.

(5) Legally significant declarations and notices that are to be issued to Seller by the customer after conclusion of contract (e.g. deadlines, notice of defects, notice of withdrawal and reduction) must be in written or in text form according to Article 126 a German Civil Code in order to be effective, e.g. by letter, e-mail, or fax . Further statutory provision remains unaffected especially in case of doubt about the legitimation of the acting person.

(6) References to the validity of statutory regulations shall only have clarifying significance as long as statutory regulation are not explicitly amended or excluded.

### **Section 2 Conclusion of contract**

(1) The offers of the Seller are subject to confirmation and are not binding. This shall apply even when the Seller has delivered catalogues, technical documentation (e.g. drafts, plans, accounts, calculations and references to DIN standards), any other product descriptions or documents - including in electronic format - to the customer. The Seller reserves property rights.

(2) The ordering of goods by the customer can be done in writing or in text form, by email or by fax. The customer's order constitutes a binding offer to conclude a contract for the ordered good(s).

(3) The Seller is entitled to accept the contract as specified in the order within 3 working days after receipt of the order by the Seller. Acceptance can be declared by the Seller either in writing or in text form (e.g. by order confirmation) or via delivery of the goods to the customer. In case of Seller's acceptance via delivery of goods advance payment is explicitly excluded.

(4) Contracts shall be concluded with the proviso that the service shall not be provided or only provided in part in the event of incorrect or incomplete self-supply. This shall only apply in the case that the non-delivery is not caused by the Seller or the Seller is not obliged to the procurement and the Seller has with due diligence concluded a concrete hedging transaction with the supplier. The Seller shall make reasonable efforts to supply the goods. Otherwise the payment will be refunded immediately. The customer shall be notified immediately in the event of non-availability or only partial availability of the respective service.

□

### **Section 3 Retention and resignation of title**

- (1) The Seller retains title to the goods until full payment of all present and future receivables from the sale and/or supply of goods and an ongoing business relationship.
- (2) The customer shall undertake to handle goods with due care during the retention of title period and to insure these goods adequately at its own expense against fire, water damage and theft at their replacement value. If maintenance and inspection work is necessary, the customer shall carry out such work at its own expense.
- (3) During the retention of title period the customer is not entitled to pledge the goods to a third party for security or to pledge to third parties. In case of damage or destruction of goods the customer must notify the Seller in writing or in text form immediately. The same shall apply to attachments or other interventions of third parties to the goods, where the customer is required in this case to refer to the property of the Seller. Moreover, the customer is obliged to immediately inform the Seller in case a request for opening insolvency proceedings has been made by the customer. If the third party is not in a position to reimburse the Seller for the legal and court costs of a law suit incurred in accordance with Article 771 of the German Code of Civil Procedure (ZPO), the customer shall then be liable for damage to the Seller resulting from this.
- (4) For the duration of the retention of title, the customer shall be entitled to continue to sell and/or process the retained goods in the course of ordinary business.
- (a) The retention of title shall extend to the products created from the manufacture, mixing or combination of the Seller's goods at their full value. In such cases the Seller shall be regarded as the manufacturer. The Seller shall acquire ownership if the property rights of the third parties remain after processing, mixing or combination of the Seller's goods with the goods of the third party. In this case the Seller shall acquire ownership proportional to the invoice values of the processed, mixed or combined goods. That aside, the same shall apply for the resultant product as for the goods delivered under retention of title.
- (b) The customer shall convey the customer's claims for payment from a sale of the goods and the customer's claims from any other legal basis in terms of goods (e.g. claims from illegal commerce and claims for insurance benefits), including all balance claims from the current account, to the Seller fully – respectively proportionally in case of proportional ownership in case of (4) (a) - for security reasons. The Seller hereby accepts this assignment.
- (c) The customer shall retain their authority to collect the debt even after the assignment. The authority of the Seller to collect the claim on its own shall remain unaffected thereby. The Seller shall endeavour not to collect the claim, as long as the customer meets his payment obligations to the Seller, does not enter into arrears, no application for insolvency proceedings is made, and his performance capacity is not otherwise deficient or lacking. If the authority to collect is revoked, the Seller may request that the customer discloses the claim assigned and the debtor in question, make all indications required for collection, surrender the relevant documents, and notify the debtors (third parties) of such assignment of claims. Moreover, the Seller is entitled to revoke the customer's legal authority to the sale and further processing of the respective goods.
- (d) The Seller undertakes to release the securities that we hold upon the customer's request insofar as the realisable value of our securities exceeds the claims to be secured by more than 10%; the selection of securities to be released is up to the Seller.
- (5) The Seller has the right to withdraw under the statutory provisions of the contract and to demand the goods on the basis of retention of title and resignation if the customer is in breach of the contract, especially for non-payment of compensation due. If the breach of contract is the non-payment of compensation due the enforcement of above mentioned rights is dependent upon whether the Seller has set a reasonable deadline for the customer for the payment of compensation or such a period of time is unnecessary under the law.

#### **Section 4 Deterioration of the pecuniary circumstances of the customer**

- (1) If it becomes known to the Seller after the conclusion of the contract that there is a serious deterioration in the customer's financial condition (e.g. bankruptcy), and there is reason to expect that the customer will probably not be in the position to fulfil the existing payments at the time of payment, the Seller can demand full payment of all bills and make payments due which are not yet due.
- (2) If it becomes known to the Seller after the conclusion of the contract that there is a serious deterioration in the customer's financial condition (e.g. bankruptcy), the Seller shall be entitled under the statutory provisions to withhold performance after a deadline is entitled to terminate the contract. For contracts about the production of single pieces (unwarrantable things) the Seller can declare their withdrawal without a deadline (immediately). The statutory provisions

regarding the expendability of setting a grace period shall remain unaffected. Any claims for damages by the Seller remain unaffected thereof. The Seller shall have the right to exploit the reclaimed purchase item. The income from the sale - less appropriate costs - shall be offset against the customer's liabilities.

## **Section 5 Remuneration**

To the extent that nothing else is agreed the Seller's current price plus VAT at the statutory rate, however without delivery costs, at the time of the conclusion of the contract shall apply. Unless stipulated otherwise the price applies ex warehouse.

## **Section 6 Payment options**

(1) The customer can pay by individual arrangement in advance, direct debit, invoice or cash on delivery. The C reserves the right of selection. New customers and customers outside the European Union, the European Economic Area or the European Free Trade Association can pay on advance payment, to the extent that nothing else is agreed.

(2) Unless otherwise agreed, the sales price shall be due for payment in full within 14 days from the delivery of the goods. If amounts have not been paid by the end of this period, the customer shall be in arrears. During the default period on the debt the customer shall pay interest amounting to 9 percentage points over the base interest rate whereby the enforcement of a higher damage caused by delay remains reserved. The Seller's right to the commercial default interest shall remain unaffected with respect to traders (Section 353 HGB). Moreover, in case of default the customer is obliged to pay a flat compensation amounting to EUR 40.00. This lump sum of EUR 40.00 will be credited completely against the compensation due as far as the compensation relates to litigation costs or any other legal expenses.

(3) The customer shall only be entitled to offset amounts and right of retention if its counterclaims have been legally established, recognised or are not denied by the Seller. The counter-rights of the customer for the defects in shipments shall remain unaffected.

## **Section 7 Delivery**

(1) The customer can collect the goods themselves or the Seller delivers the goods from stock by request of the customer in return for payment. The place of performance shall be the warehouse of the Seller.

(2) The customer shall be made aware of the type of delivery and the amount of the shipping cost. The customer shall bear any delivery costs from stock including possible duty, charges, taxes and other public duties as well as the costs of any transport insurance requested by the customer and the costs of any bank charges resulting of foreign transfers. Unless otherwise agreed, the Seller determines the appropriate shipping method, the route of shipping, the packaging and the shipping company at their reasonable discretion taking into account the customer's interests.

(3) The Seller only owes the timely and proper delivery of the goods to the shipping company and is not responsible for delays caused by the shipping company.

(4) If the goods are not deliverable or not deliverable on time, the Seller shall inform the customer immediately and tell them the expected delivery date. Reference is made to the clause of correct self-delivery according to section 2 para. 4.

(5) The Seller is not liable if the delivery cannot be made due to force majeure. Force majeure includes mobilisation, war, riot, strikes, lockout, environmental disasters or similar unforeseen disasters which are not the responsibility of the Seller. In these cases the delivery time is extended accordingly; also the Seller and the customer are entitled to withdraw from the contract one month after start of the force majeure, if the force majeure lasts until then.

(6) The statutory rights of the customer and the Seller, in particular a delayed delivery, according to section 9 and 10 of the General Terms and Conditions and at the exclusion of liability, shall not be affected by the aforementioned provisions.

(7) The Seller is entitled to partial delivery if a partial delivery is appropriate for the customer whilst taking into account the Seller's interests. The customer shall incur no additional costs.

## **Section 8 Transfer of risk**

(1) The risk of accidental damage and accidental deterioration of the goods and the risk of delay at the latest shall pass to the customer with the handing over of the goods. In case of sale to destination the risk of accidental damage and

accidental deterioration and the risk of delay shall be transferred to the freighter, hauler, person or company otherwise appointed to carry out the delivery, as soon as the goods have been delivered. Delivery is also deemed to be effected if the customer is in default of acceptance.

(2). For the default of acceptance of the customer, or the omission to carry out an act of cooperation or if the delivery is delayed for other reasons for which the customer is responsible the Seller shall be entitled to demand compensation for the resulting damage including the additional costs that the Seller had to make for the unsuccessful offer and preservation and conservation of the outstanding object. The customer reserves the right to prove that the Seller did not suffer any damage at all or only substantially less damages or additional costs.

## **Section 9 Warranty**

(1) The statutory regulations shall apply to the customer's rights in case of defects of quality and title (including false and shortfall in delivery as well as improper assembly or faulty assembly instructions) insofar as not otherwise determined below. Articles 478, 479 German Civil Code remain unaffected in case of delivery of goods to a private consumer.

(2) The basis of the Seller's liability for defects is above all an agreement about the condition of the goods. The condition of the goods is basically only the Seller's product description as agreed. A quality agreement is also available if it is identified as the product descriptions and if it were left with the customer before their order or included in the contract in the same way as these Terms and Conditions (also catalogues of the Seller and the content of the official company homepage). If no agreement about the quality of the goods has been made it shall be governed by the statutory provisions, if a defect exists or not (Article 434 para.1 sentence 2 and 3 German Civil Code. In addition, public statements, promotion or advertising of the manufacturer or third parties do not represent any contractual indication of the quality of the goods. This does not apply if the Seller themselves are the manufacturer.

(3) The goods should be immediately inspected on quality and quantity deviation and obvious defects are indicated at the latest within two weeks from receipt of the goods compared to the Seller's; The enforcement of the warranty claim is ruled out in case the customer fails to inspect and report within this timeframe. The timely dispatch or release meets the deadline. The customer shall have the full burden of proof in respect of all claim prerequisites, in particular in respect of the defect itself, the time when the defect was noticed and the punctuality of notification of the respective defect. Section 377, 381 of the German Commercial Code (HGB) shall apply for business people. In case the defect could not be detected during the inspection, the defect has to be reported to the Seller within two weeks of detection in written or in text form.

(4) The Seller shall, by its option, perform improvements (removal of the defect) or provide a replacement delivery (delivery of defect-free object). The supplementary performance shall not include manufacturing the defective goods or assembly, if the Seller did not originally have to assemble the goods. The Seller's right to refuse the improvement or replacement according to the statutory provisions shall be unaffected.

(5) The Seller is entitled to make the owed subsequent performance dependent on the payment of the purchase price. The Customer is entitled to retain a part of the purchase price which is reasonable in the ratio of the defect.

(6) The Buyer must give the Seller the time and opportunity which are necessary for the owed subsequent performance, in particular to hand over the goods for which a complaint was made for purposes of inspection. In the event of the substitute delivery the customer must return the faulty object to the Seller according to the statutory regulations.

(7) The expenses which are necessary for the purpose of inspection and subsequent performance, in particular transport, route, work and material costs shall be borne by the Seller if there is actually a defect. However, if it is determined that a request for remedy of a defect by the customer is unjustified the Seller can request reimbursement of the costs incurred hereby from the customer.

(8) Only in urgent cases, where operational safety is at risk or to avert disproportional damage, the customer is entitled to correct the defect himself and to demand compensation for verified costs that have been objectively necessary. The Seller must be informed about these activities at the earliest possibility, if possible prior to the correction of the defect. The customer's right to rectify defects himself shall not apply if the Seller would have been entitled to refuse the supplementary performance according to statutory provisions.

(9) If subsequent performances shall fail, the customer may, at its discretion, demand a reduction of the purchase price (reduction), terminate the contract (withdrawal), or request compensation for damages instead of the delivery. Taking into account the interests of both parties the customer is due no right of withdrawal if there are only minor defects. Instead of damages rather than performance the customer can demand the reimbursement of expenses under section 284 of the German Civil Code which the customer had made in confidence of the receipt of the goods and could reasonably make.

If the customer shall opt for compensation instead of the performance, the limitations of liability pursuant to section 10 shall apply.

(10) The warranty period is different from the statutory one year from the date of delivery. The warranty period begins with the transfer of risk pursuant to section 8. The one-year warranty period shall not apply if the Seller is accused of gross negligence or fraud, also not in the case of physical injury or damage to health attributable to the Seller and loss of life of the customer, in the case of a warranty and in the event of recourse according to sections 478, 479 of the German Civil Code. The Seller's liability according to the Product Liability Act remains unaffected.

(11) The Seller gives the customer no guarantees in the legal sense, unless explicitly agreed otherwise. Manufacturer's guarantees shall remain affected.

### **Section 10 Limitation of liability**

(1) In the event of negligent breaches of duty, the liability shall be limited to the average damage that is foreseeable, typical of this type of contract and directly pursuant to the type of goods. This shall also apply for slightly negligent breaches of contractual obligations of legal agents or vicarious agents of the Seller. The Seller shall not be liable in the event of negligent breach of immaterial contractual obligations. However the Seller is liable for the breach of contractual legal position of the customer. Essential contractual legal positions are such that the contract has to guarantee the customer in the contract content and purpose. Also the Seller is liable for the breach of duties, the fulfilment of which is essential for the proper execution of this contract and on which the customer may normally be entitled to rely.

(2) The limitations of liability above shall not affect claims by the customer arising from warranties and product liability. In addition the liability limitations shall not apply to gross negligence, malice, fraud, breach of contractual obligations and to physical injury or damage to health attributable to the Seller or loss of life of the customer.

(3) The aforementioned limitations of liability also apply for legal representatives and vicarious agents.

(4) Due to a breach of duty which did not consist of a defect the customer can only withdraw or terminate the contract if the Seller is responsible for the breach. A free buyer's right of termination (in particular according to sections 651, 649 of the German Civil Code) is excluded. In addition the statutory provisions and legal consequences shall apply.

(5) The statute of limitations according to section 9 para. 10 shall also apply to claims for damages by the customer due to defects in the goods, unless the application of the regular statute of limitations leads to a shorter limitation. Otherwise the statute of limitations shall apply to claims for damages by customers according to section 10.

### **Section 11 Final provisions**

(1) The substantive law of the Federal Republic of Germany shall apply, to the exclusion of the UN sale of goods law.

(2) If the customer is a business, legal entity under public law or public law special assets, the sole place of jurisdiction for all disputes arising from this contract shall be the Seller's registered place of business unless there is an exclusive place of jurisdiction given. The same applies if the customer is an entrepreneur as defined by Article 14 German Civil Code. The Seller shall also be entitled to bring an action against the business in their residential address or place of business.

Please note that the German version shall have priority in the event of an objection or other deviations as well as in disputes of the interpretation of the contract in the two versions.

Current version of General Terms & Conditions of Business: 12.06.2017