

General Terms of Business

I. General conditions

§ 1 General

- (1) These terms and conditions ("these terms and conditions"), as well as any separate contractual arrangements underpin all our supplies and services and relevant offers, as well as the preparation of cost estimates. In the context of ongoing business relations, these terms and conditions apply even if they are not each expressly agreed for future deliveries and services.
- (2) Derogating terms and conditions apply only if and to the extent we expressly acknowledge them. In particular, our silence on such derogating terms and conditions is not regarded as recognition or approval and this applies to future contracts also.
- (3) These terms and conditions shall apply instead of any terms of purchase, even if the order acceptance is provided as an unconditional acknowledgement of the terms of purchase, or if we provide it you according to your general terms and conditions of purchase, unless we expressly waive the validity of these terms and conditions. The exclusion of your terms and conditions also applies if these terms and conditions contain no separate regulations for individual control points. By acceptance of our order confirmation, you acknowledge and waive your legal objection derived from the conditions of purchase.
- (4) The term "claims" in these terms and conditions also includes claims for compensation of futile expenses.

§ 1a Information / Advice

- (1) Information and explanations regarding our deliveries and services by us or our agents take place exclusively on the basis of our past experience. They represent no properties or warranties with respect to the delivery item. The values specified here are regarded as average values.
- (2) We assume a duty of consultation only explicitly through a separate written consulting agreement.
- (3) A guarantee is considered to be accepted from us only if we have recognised a property or a successful performance in writing as "legally guaranteed".

§ 2 Conclusion of Contract

- (1) Our offers are subject to alteration and are without obligation, insofar as they are not expressly designated as binding or contain explicitly binding commitments or have not been expressly agreed as binding. They are invitations for purchase orders. All technical information provided by us at the quotation stage is to be considered preliminary until final clarification.
- (2) A contract is only concluded – in addition as part of ongoing business – by order confirmation in a written or text form (i.e. also by fax or e-mail) or by means of its execution, depending on whichever is earlier.
- (3) You have to check our drawings regarding options for execution of the delivery item and local building dimensions and must inform us in good time in writing before conclusion of the contract about any inconsistencies in this respect, as well as any special requirements relating to the delivery item. However, such information as notified to us does not extend our contractual obligations and liability.
- (4) We reserve the right to make changes that arise during the processing of the project as the result of new discoveries or other aspects, and which restrict the original purpose of the delivery item in any way.
- (5) Unless otherwise expressly agreed, the delivery item must be transportable and permissible in the Federal Republic of Germany.

§ 3 Delivery scope/performance scope/changes

- (1) The delivery and scope of services arises from our order confirmation in written or text form, the BOM, and the working drawings.
- (2) We are committed to delivering and installing a functional system, thereby including those parts and services that are necessary for the pure functioning of the system. Additional parts, facilities, or other services that contribute to improvement, expansion or optimisation, are not included in the delivery or services unless otherwise agreed.
- (3) In the event of subsequent changes to the delivery or service (for example, in the arrangement and layout of the system) that were requested by you, or were due to an incomplete set of documents being provided, or as a result of lack of knowledge of the company's operating conditions required by you, any additional services will be separately billed at the respectively valid prices.

§ 4 Dates and Deadlines

- (1) Periods or deadlines for deliveries and services ("delivery") are binding only if they are agreed expressly and in writing. For non-binding or approximate (around, about, etc.) delivery times we strive to carry them out to the best of our ability.
- (2) Delivery and/or performance periods begin with the receipt of our order confirmation by you, and in absence of such, within five calendar days after receipt of your order, but not before all details of the execution of the order have been clarified and all other conditions to be fulfilled by you, in particular any agreed downpayments or collateral and necessary cooperation services, e.g. on-site services or the provision of required official certificates or approvals. If you have requested changes after the order has been issued, a new reasonable delivery and/or performance period begins with confirmation of the change by us. The same applies for delivery and performance dates.
- (3) The delivery time is respected, if until its expiration, transfer of risk has taken place pursuant to § 7.
- (4) If you fall into default of acceptance or breach other cooperation duties, we shall be entitled to demand compensation for the loss resulting to us in this respect, including any extra expenditures. In the event of storage of the delivery item after delays in acceptance or transfer of risk, the storage cost shall be a flat rate cost of 0.25% of the invoice value of the delivered goods for each week; you, like us, reserve the right to prove and demonstrate higher or lower costs, including a complete lack of effort.
- (5) If for a delivery or service we are obligated to make, or as supplied by our subcontractors and for reasons we are not responsible for, and we do not, not properly, or not in a timely manner deliver them, despite ensuring proper and sufficient contingency prior to concluding the contract with the customer, or if force majeure events of considerable duration occur (i.e., with a duration of more than 14 calendar days), we will immediately inform our customers in writing or in text form. In this case we are entitled to postpone delivery or performance of the service for the period of obstruction, or to fully or partially withdraw as a result of the unfulfilled part of the contract, insofar as we are fulfilling our information requirement

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and have not assumed the procurement risk or a delivery guarantee. Force majeure events include: strikes, lock-outs, official intervention, power outages and shortages of raw materials, transport bottlenecks or obstructions through no fault of our own, company obstructions, e.g. fire, water and damage to machinery and any other obstructions that are considered to be not caused by our negligence.

- (6) Taking into account the statutory exceptions, should we set a reasonable deadline for performance after the due date and the deadline is not met, you are entitled by law to withdraw from the respective delivery schedule. You agree, upon our request and within a reasonable time, to explain whether you are making use of your right of withdrawal.
- (7) More claims arising from delay by debtor are determined exclusively pursuant to § 9 para 2.

§ 5 Prices

- (1) All prices are free carrier (FCA, Keller Lufttechnik, Kirchheim/Teck-Jesingen – Incoterms2010), including loading at the factory, but however excluding packaging, freight, postage and discharge, and, as far as transport insurance was agreed, insurance costs. The prices are based on the value-added tax applicable on the day of the due date as well as any country-specific taxes on delivery to countries other than the Federal Republic of Germany and customs for the delivery/performance of the service.
- (2) With a gross order value of below €100, we charge a processing fee of €35.

§ 6 Payments

- (1) In the absence of a special agreement, payment is to be made without any deductions to us, namely:
 - a. For a contract value of up to EUR 25,000:
14 days after date of invoice Net.
 - b. For a contract value of over EUR 25,000:
 - 30% of the value of the order upon receipt of the order confirmation,
 - 40% of the value of the order upon receipt of the notification of readiness for dispatch,
 - 30% of the value of the order after transfer of risk (in accordance with § 7, after notification of readiness for dispatch, delivery, acceptance)in addition to pro-rata VAT in cash without any deductions.
- (2) If any necessary assembly and/or commissioning is delayed for reasons which are within your area of responsibility, then payments which are bound to any possibly acceptance are due no later than 60 days after notification of readiness for dispatch.
- (3) Should circumstances become known which make your credit-worthiness doubtful, we can demand advance payments or appropriate collateral. Should such requests not be met within the time limit, we shall be entitled to rescind the contract wholly or in part. Our rights according to § 321 BGB shall remain unaffected.
- (4) The right to withhold payments is only granted to you insofar as your counterclaims are undisputed or legally substantiated.
- (5) The right to offset counterclaims from other legal relations is only available to you insofar as they are undisputed or legally established.

§ 7 Transfer of risk / delivery / acceptance

- (1) The risk of accidental loss or accidental deterioration is transferred to you (FCA - Incoterms2010) with the transfer of the delivery item to the forwarding agent, carrier or other third party engaged to execute the dispatch, unless a delivery obligation is agreed. This applies even if partial deliveries are made or we have taken on other services (e.g., shipping, assembly or commissioning). If the dispatch or handover is delayed as a result of a circumstance which is your fault, the risk shall be transferred on the day on which the delivery item is ready for dispatch and we have indicated this to you.
- (2) If acceptance is to be take place, it shall be decisive for the passing of risk. It must be carried out as soon as possible, according to our notification of readiness for acceptance. You may not refuse acceptance if a non-material defect is found.
- (3) The service or performance is deemed to be accepted if
 - a. the delivery and – insofar as any assembly and/or commissioning requires acceptance – these have been completed and
 - b. we have informed you of this with reference to the acceptance inspection according to this clause and have asked you to accept the inspection and
 - c. since the delivery and 12 business days after any possible assembly and/or commissioning, or you have started using the delivery item (e.g. the supplied plant has gone into operation) and in this case the 6 business days have elapsed since the delivery and possible assembly and/or commissioning, and
 - d. you have refused to accept the acceptance within this period for any reason other than for a defect indicated to us which makes the use of the delivery item impossible or substantially impaired.The legal assumed acceptance shall remain unaffected.
- (4) Should the delivery item already be operated with our consent before a possible acceptance (e.g. agreed trial), you have to assume complete maintenance up to the time of acceptance.

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§ 8 Claims for defects

For material and legal defects of delivery we are liable under exclusion of further claims - subject to § 9 - as follows:

Quality defects

- (1) All those parts, which turn out as a result of a circumstance prior to the transfer of risk to be flawed, are at our discretion to be repaired or replaced without defects. The detection of such defects is to be notified to us immediately in writing. Replaced parts become our property.
- (2) In order to carry out all necessary improvements and substitute deliveries, you must give us the necessary time and opportunity in consultation with us; otherwise, we are exempt from liability for the resulting consequences. Only in urgent cases of danger to operational safety or disproportional damages, whereby we are to be notified of this immediately, or if, given the statutory exemptions, we have passed a reasonable deadline set for us to rectify the defect, do you have the right within the framework of the legal regulations to remedy the defect yourself or by means of a third party and to demand compensation from us.
- (3) Insofar as the complaint proves to be justified, we will bear the direct costs of the repair or replacement delivery, including the dispatch. We will bear any input and removal costs, provided that this has been the subject of the original performance, as well as the cost of any required provision of necessary labour including travel costs, insofar as this gives rise to no disproportionate burden.
- (4) If, as a result of the supplementary performance, additional expenses arise because the delivery item is located in a place other than the place of the intended use, you shall bear these expenses.
- (5) You have a right to withdraw from the contract within the framework of the law, if we – under consideration of the legal exceptions – allow an appropriate deadline for the repair or replacement fruitlessly expire due to a material defect. If there is only a minor defect, you are only entitled to a reduction in the contract price. The right to reduce the contract price is otherwise excluded.
- (6) Further claims are determined exclusively pursuant to § 9 para 2.
- (7) The warranty does not apply if you or third parties, without our permission, modify the delivery item or repair it improperly and the removal of defects is hereby impossible or unreasonably difficult. In any case, you have to bear the additional costs incurred by the modification or improper repair of the defect.
- (8) The warranty is also void if the defect is due to: unsuitable or improper use, faulty assembly or commissioning by you or third parties, natural wear and tear, incorrect or negligent handling, improper maintenance, unsuitable operating material, faulty construction work, unsuitable building ground, chemical, electro-chemical, electromagnetic, mechanical, electrolytic or electrical influences that are not set out in our standard product specification or a differently agreed product specification, or a product-specific data sheet.
- (9) For orders that are issued to us from a third-party service description, we assume liability for the performance of our equipment only according to the specified values. For the design and layout and the overall functioning of the system we cannot, however, take any responsibility.
If you require a system function guarantee for orders placed according to a third-party performance record, then a revision of the project becomes inevitable. Should no agreement be reached between the contractual partners in the event of any resulting technical and price changes, both parties may withdraw from the contract without any claims for damages being asserted.
- (10) The recognition of breach of duty in the form of material defects must always be made in writing.

Legal defects

- (11) Should the use of the delivery item lead to a violation of industrial property rights or domestic copyrights, we shall, at our expense, give you the right to further use or modify the delivery item in a manner acceptable for you so that the infringement ceases to exist.
Should this not be possible under economically reasonable conditions or within a reasonable time frame, you are entitled to withdraw from the contract. Under these conditions, we also have the right to withdraw from the contract.
In addition, we will release you from uncontested or legally established claims of the protected proprietor.
- (12) Our commitments referred to in § 8 paragraph 11 are final subject to § 9 para 2 in the event of protection or violation of copyright law. They only arise, if
 - a. you immediately inform us of asserted rights or copyright infringement,
 - b. you assist us to a reasonable extent in the defence of the claim or allow us to carry out modification measures in accordance with § 8, paragraph 11,
 - c. we reserve all defences, including out-of-court settlements,
 - d. the defect is not based on a statement by you and
 - e. the infringement has not been caused by the fact that you have altered the delivery item by yourself or used it in a non-contractual manner.

§ 9 Liability, exclusion of liabilities

- (1) If the object of the delivery as a result of culpable failure by us or faulty proposals or discussions that have been carried out before or after conclusion of the contract, or the culpable breach of other contractual obligations – in particular instructions for the operation and maintenance of the delivery item – means it cannot be used in accordance with the contract, the provisions of §§ 8 and 9 para 2 apply under exclusion of further claims.
- (2) For damage not caused to the delivered goods themselves, we are only liable – for whatever legal reason –
 - a. In the case of intent,
 - b. In the event of gross negligence of our committees or executives,
 - c. In the event of culpable injury to life, body, health,
 - d. In the event of defects we have fraudulently concealed,
 - e. Within the framework of a guarantee promise,
 - f. In the event of defects of the delivered goods, insofar as the Product Liability Act is liable for personal injury or material damage to privately used items.

In the event of culpable violation of essential contractual obligations, without which the achievement of the contractual purpose would be compromised and upon fulfilment of which you may rely periodically (so-called cardinal obligations), we shall also be liable in the event of gross negligence of non-managerial employees and slight negligence, which in the latter case is limited to contract-typical, reasonably foreseeable damage.
Further claims are excluded.

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- (3) Insofar as our liability is excluded or limited, this also applies to the personal liability of our employees, representatives, and agents.

§ 10 Limitation

- (1) All your claims – irrespective of legal basis – are limited to 12 months. For claims for damages pursuant to § 9 para. 2 a-f, the statutory periods are valid. They also apply to defects of rights, defects of a built structure or to objects of delivery that have been used for a built structure in accordance with their usual use, and which have caused its defectiveness.
- (2) If, for reasons that are as a result of on-site issues, the performance date for which the start of the warranty is agreed upon is delayed, the warranty period begins at the latest 3 months after delivery of the order or receipt of the notification of readiness for dispatch.

§ 11 Retention of title

- (1) The delivered goods remain our property until you have paid all claims we hold against you now and in the future. If paying by a cheque-bill of exchange process, payment shall only be deemed to have taken place if you have redeemed the bill-of-exchange you have accepted, and with the cashing of the cheque.
- (2) You may mix, combine or link the goods in which we have reserved our property with other objects, under the framework of regular business operations. In the event of mixing, combining, or linking something, it is already agreed that we shall have a share of the ownership of the goods in which the goods are mixed, combined or linked, which shall amount to the value of the goods in relation to the value of the other items involved in the mixing, combining, or linking. You keep the item for us. The same is true when you process the goods within the framework of ordinary business operations.
- (3) You may sell the goods in which we have reserved the property or to which we are entitled to co-ownership as part of the course of ordinary business operations, except if you are in default of payment or have made a payment. Should you be in default in payment, we can demand the surrender of the reserved goods. You may not pledge the goods or assign the security of them. A sale abroad is permitted only with our prior written consent. If you dispose of reserved goods, you hereby assign to us all rights which are due to you from the sale of the goods against all purchasers, including all ancillary, security and retention rights, until all our claims have been repaid. We may require you to notify your customers of the assignment and provide us with all the information and documents necessary for collection. You may move the claims assigned to us, however, as long as you are not in arrears or have suspended the payments. Should your receivables from the resale of our goods be included in a current account, you immediately assign to us your claim for payment from the respective or the recognised balance, to the extent that they include claims arising from the resale of our reserved goods. If ownership of the goods sold is only co-ownership, the aforementioned assignment shall only apply to the value of our co-ownership. If goods in which we reserve the title to ownership or in which we are entitled to co-ownership are sold together with other goods at a total price, the aforementioned assignment shall only apply to the value of our reserved goods or to the value of our co-ownership. Should you receive a cheque or bill-of-exchange for the sale of our reserved goods, you are already assigning us the cheque or bill-of-exchange until full redemption of our claims. You agree to hold the cheque or bill-of-exchange carefully for us. In addition, the provision in §10, paragraph 1 shall apply accordingly.
- (4) You must notify us immediately as soon as the reserved goods or other objects of claims where rights are available to us become the possibility of seizure by a third party or may be otherwise impaired. The necessary documents shall be accompanied by the indication. Costs which we incur through such incidents, have to be reimbursed to us.
- (5) Should certain measures be required for deliveries abroad in the importing country in respect of the effectiveness of the aforementioned retention or other designated rights thereon, you have to advise us of this and implement any such measures at your expense. If the law of the importing country does not permit a reservation of title, but allows us to reserve other rights in respect of the delivery item, we can exercise all rights of this type. Insofar as an equivalent guarantee of our claims against you is not achieved, you are obliged to provide us with other security on the delivered goods or other security at your expense.

§ 12 Export controls

- (1) The performance of the contract is subject to the proviso that fulfilment is not opposed due to foreign trade law regulations, as well as any embargoes or other sanctions.
- (2) You are required to provide all information and documents needed for the export, transfer or import. If delays occur due to export checks or approval procedures, the respective time limits and terms of delivery shall be suspended accordingly.
- (3) We shall be entitled without notice to terminate the contract if the termination is required on our part to comply with national or international, especially American, legislation. The assertion of a claim for compensation or other rights by you because of such termination is excluded.
- (4) When passing on the delivery items to third parties in Germany and abroad, you must comply with the respective applicable provisions of national and international foreign trade law.

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§ 13 Intellectual property

We reserve the right to ownership and copyright over all drawings provided by us, as well as offers and cost estimates, as well as the following supplied by you, including illustrations, calculations, brochures, catalogues, models, tools and other documents, physical and non-physical aids, patterns, cost estimates, drawings and similar information of a physical and non-physical nature. Without our express consent, you may not make these objects or their content accessible to third parties, may not have them used or reproduced, either by yourself or by third parties. You must return these items at our request in full and destroy any copies made when you no longer need them in the ordinary course of business, or if negotiations do not lead to the conclusion of a contract.

Article 14 Use of software

- (1) Insofar as software is included in the scope of delivery, we grant you the simple right to use the software and the documentation. The software is provided for use on the intended delivery item. Use of the software on more than one system is prohibited.
- (2) You may only use, copy, revise, translate or convert the object code to the source code in the software to the extent permitted by law (§§ 69a et seq. UrhG). You agree not to remove manufacturer's information – especially copyright notices – or to change it without our prior express consent.
- (3) All other rights to the software and the documentation including copies shall remain with us or the software supplier. The granting of sub-licences is not permitted.

§ 15 Final provisions

- (1) Additions and modifications to agreements made, including these terms and conditions, shall only be valid in writing. With the exception of the management or authorised representative, our employees are not entitled to make deviating verbal agreements. In order to preserve the written form, transmission by fax is sufficient; otherwise telecommunication transmissions, in particular by e-mail, are not sufficient.
- (2) If any individual provision of these terms and conditions be or become invalid, the validity of the remaining provisions hereby will not be affected.
- (3) Kirchheim unter Teck-Jesingen is valid as the place of performance for both parties for all rights and obligations arising from the contract. If assembly and commissioning is also to be carried out, the place of fulfilment is the location where the assembly and commissioning are to take place.
- (4) The place of jurisdiction for any possible disputes arising out of or in connection with the contract is Kirchheim unter Teck. We are, however, entitled to bring action at your headquarters.
- (5) The material law of the Federal Republic of Germany applies, with the exclusion of the UN Sales Convention (CISG). The language of the agreement is German. If the contracting parties also operate in another language, the German wording has precedence.

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II. Assembly conditions

As far as we, in addition or separately, take over an assembly or commissioning for you, the following conditions apply in addition to section I:

§ 1 Obtaining permits

Should permits be required for the implementation of the work you must obtain them in good time before the beginning of the work.

§ 2 Support for assembly personnel / safety

- (1) You are to help the assembly staff carry out the assembly at your expense.
- (2) You shall take any special measures required for the protection of people and property in the place where the assembly is to be performed. You must also inform the assembly manager about existing special safety regulations, if these are of importance for the assembly personnel. Before starting the assembly work, you shall provide the necessary information on the location of concealed electric power, gas and water lines or any similar installations. You will notify us of any violations of assembly staff with regard to these regulations. In the event of serious violations, you may, in consultation with the assembly manager, refuse the violators access to the place at which the assembly is being performed.
- (3) If welding, cutting and similar work involving the use of an open flame have to be carried out in the course of assembly work in spaces that are not specially designed for such work, you must take all necessary measures to eliminate the fire or explosion hazard. Particular reference is made to § 30 para. 2, VBG 15 of the Accident Prevention Regulations (UVV), according to which the operator has to submit a written welding permit.

§ 3 Technical assistance

- (1) You are obliged to provide technical assistance at your own cost, in particular with regard to:
 - a. provision of necessary appropriate support staff (masons, carpenters, locksmith and other professionals and labourers) in the quantity required for the assembly and for the required time; the temporary staff have to follow the instructions of the assembly manager. We assume no liability for temporary staff. Should any defects or damage be caused by the temporary staff as a result of instructions given by the assembly manager, the provisions of Sections I §§ 8 and 9 shall apply.
 - b. Provision of all earthworks, construction, bedding and scaffolding work including procurement of necessary materials.
 - c. Provision of necessary equipment and heavy tools (e.g. hoists, compressors) as well as the necessary materials and articles and substances (e.g. assembly wood, wedges, documents, cement, plaster and sealing material, lubricant, fuels, driving ropes and driving straps).
 - d. Provision of heating, lighting, operating power, water, including the necessary connections.
 - e. Provision of necessary, dry and lockable space for the storage of tools belonging to assembly personnel.
 - f. Transport of the assembly parts to the assembly site, protection of the assembly site and materials from harmful influences of any kind, cleaning the assembly site.
 - g. Provision of appropriate and theft-secure rest spaces and work spaces (with heating, lighting, washing, and sanitary facilities) and first aid for the assembly personnel.
 - h. Provision of materials and actioning of all other acts necessary for the commissioning of the object to be assembled and required for carrying out contract testing.
- (2) The system must be freely accessible and there must be no obstructions due to material deposits in the area surrounding the plant.
- (3) Your technical assistance must ensure that the assembly can be started immediately upon arrival of the assembly personnel and can be carried out without delay until acceptance by you. Insofar as special plans or instructions are required from us, we will provide them in a timely manner.
- (4) If you fail to comply with your obligations, we are entitled to set a deadline, but not obligated to carry out the necessary actions in your place and at your expense. In addition, our legal rights and claims remain unaffected.

§ 4 Test run, training and commissioning

- (1) The operating and maintenance personnel named by you must be present for the purpose of instruction at both the test run and the commissioning.
- (2) For the test run, future operating conditions must be provided or at least simulated, so that the commissioning of the installation can be carried out at the same time.
- (3) The commissioning and running control of system can extend over several days and are included in the fee-based assembly effort. If this work cannot be carried out through no fault of our own immediately after the end of the installation, the costs for re-sending an assembly person will be charged.

§ 5 Prices

The prices stated in offers or rates for services are strictly net. In addition, the valid VAT rate will be charged at the time of carrying out the work.

§ 6 Compensation

If, through no fault of our own, the devices or tools provided by us are damaged on the assembly site or if they are lost and it is not our fault, you are obliged to compensate us for this damage. Damages due to normal wear and tear are not taken into consideration.