

## **General terms and conditions**

Date: April 2016

### **I. Applicability**

1. These general terms and conditions apply in their respective version, including to all future goods delivery, subsequent delivery and repair contracts between the parties in ongoing business relations, without the need for any further inclusion of or reference to the general terms and conditions after the initial agreement has been concluded.
2. Our general terms and conditions apply exclusively. Any deviating, opposing or supplementary general terms and conditions of the contractual partner will only become part of the contract if and to the extent that Christ Electronic Systems GmbH has expressly agreed to their validity. This approval requirement applies in all cases, even if, for example, Christ Electronic Systems GmbH carries out the delivery to the contractual partner without reservation and with knowledge of the contractual partner's terms and conditions.
3. Each provision of these terms and conditions is valid on its own.
4. In the case of documents for which the translation in a foreign language is appended and that refer to a contract for which German is the language of negotiation, the translation is deemed to be provided for information purposes only. The German text alone is decisive with regard to the content of the contract.
5. References to the validity of legal regulations are provided for the purpose of clarification only. The relevant legal regulations therefore apply even without such clarification, unless they are directly amended or expressly excluded in these general terms and conditions.

### **II. Offers**

1. Offers that we make are subject to change. They constitute an invitation to the purchaser to make a binding offer for the conclusion of a contract. Christ Electronic Systems GmbH is not obliged to decline a written order from a potential purchaser referring to such an offer if the contract is not to be concluded. Unless otherwise stated in the order, Christ Electronic Systems is entitled to accept this offer within three weeks of its receipt by Christ Electronic Systems.
2. Descriptions and pictures of our goods are only approximate. We reserve the right to make changes to the subject of the contract at any time to the extent customary due to technical progress or design changes or for the purposes of rationalisation. The right to make customary deviations in colour, weight etc. remains reserved at all times. In the event that a change to the subject of the contract exceeds the customary scope and is furthermore unreasonable for the purchaser, the purchaser has the right to withdraw from the contract, which the purchaser may exercise in writing within two weeks of receiving such notification from us.

3. The initial work on an offer is usually free of charge. Further offers and design work are only free of charge insofar as the supply contract becomes valid and remains valid.
4. We retain our proprietary rights and copyrights to the submitted documents, in particular drafts, drawings, sketches and pictures. These documents may not be copied or made accessible to third parties without our consent.
5. Contracts are effectively concluded by us only in the form of written acceptance of the order. Furthermore, the manager of Christ Electronic Systems and authorised signatories may effectively conclude contracts in verbal form.
6. Any subsequent changes to the contract and assurances regarding characteristics made by persons not authorised by the contract must be made in writing in order to be effective.

### **III. Place of performance, place of jurisdiction and agreed law**

1. The place of performance for all contractual obligations is Memmingen.
2. If the purchaser is a registered trader or has no general place of jurisdiction in Germany, the place of jurisdiction for all legal disputes arising from the contractual relationship will be, at our option, Memmingen, the registered office of the purchaser or—in the case of deliveries abroad—the capital of the purchaser's country of domicile.
3. If the purchaser is not a registered trader, the place of jurisdiction will be agreed upon, at our option, as Memmingen, the registered office of the purchaser or—in the case of purchases abroad—the capital of the purchaser's country of domicile in the event that the purchaser moves their domicile or habitual residence out of the scope of this law or that the purchaser's domicile or habitual residence is not known at the time of the action being filed.
4. Legal relations between the purchaser and us are subject exclusively to the law of the Federal Republic of Germany.

### **IV. Prices and payment**

1. Unless otherwise agreed, the supplier shall be bound by binding prices offered and agreed, up to a maximum of 30 days. If acceptance is issued or deliveries are made after this period, the supplier is entitled to make price adjustments. This also applies to partial deliveries.
2. Freight and packaging are charged at a flat rate.
3. The invoice amount must be paid within 10 days of the invoice date with a 2% discount or 30 days net.
4. The purchaser is only entitled to set off undisputed or legally established counterclaims. A right of retention is permissible to this extent.

5. In the event of a delay in payment, the supplier shall be entitled to claim interest on arrears amounting to 3% above the respective discount rate of the Deutsche Bundesbank. The right to assert further claims for damages is reserved.
6. Payments always repay the oldest claim due.
7. Payment methods other than cash or a bank transfer to the accounts indicated in the invoice are accepted only pending settlement of the relevant amount.
8. All payments are to be made without any charge to us. Any bank, discount and collection fees are to be borne by the purchaser. Bill of exchange payments are subject to prior agreement.
9. Every partial delivery is a separate transaction.
10. If the purchaser is in default with a payment for more than 10 days or if there are reasonable doubts regarding the purchaser's solvency after conclusion of the contract, we may demand either the cash payment of all outstanding claims or the provision of security. Until this request is fulfilled, we are not obliged to continue delivery under current contracts.

## **V. Retention of title and assignment**

1. The supplier retains ownership of all goods delivered by it until the purchaser has paid in full all of the supplier's claims arising from the business relations. The retained ownership of the delivery item thus also secures claims against the purchaser arising from contracts that do not relate to the delivery item.
2. If the extended retention of title has not become a part of the contract due to contradictory general terms and conditions of the purchaser, the delivery will alternatively be made under simple retention of title.
3. Any processing of the delivered products is carried out for the supplier. In the case of installation into third-party goods by the purchaser, the supplier shall become co-owner of the newly created products in proportion to the value of its products in relation to the third-party goods used. The resulting products will be deemed to be the supplier's goods subject to retention of title. Provided that the customer fulfils its payment obligations towards the supplier, the customer is—only under retention of title—entitled to resell the delivered or manufactured products. A pledge or transfer of security is not permitted. In the event of access by third parties to the goods subject to retention of title, the customer shall draw attention to the fact that the goods are the supplier's property and shall notify the supplier immediately.
4. The purchaser's claims arising from resale will be assigned to the supplier upon conclusion of the contract. The purchaser is entitled to resell only on the condition that the corresponding purchase price claims from the resale are transferred to the supplier. A pledge or transfer of security is not permitted. The purchaser is obliged to provide notification of any access by third parties to the goods delivered under retention of title in writing without delay

and to provide information at any time. The purchaser shall store the goods owned by the supplier separately from other goods and shall mark them as the supplier's property. Furthermore, the purchaser shall insure the goods against fire, water and risk of theft, proof of which must be provided at the supplier's request. The claims from the corresponding insurance contract are hereby assigned to the supplier.

5. The risk of loss, wear or damage while the retention of title is in effect shall be borne by the purchaser.

6. Until all claims against the purchaser that are due to the supplier for any legal reason now or in the future are fulfilled (including all balance claims from any open account), the supplier shall release the aforementioned securities at the purchaser's request insofar as their value consistently exceeds the claims by more than 20%.

## **VI. Liability for material defects or defects of title**

In the case of proper fulfilment of the inspection and notification obligations under Section 377 of the German Commercial Code (Handelsgesetzbuch — HGB) (the notification of defects must be made in writing), we shall be liable for defects in the delivery as follows:

1. In the event of material defects or defects of title, we shall be entitled to remedy the defect or to deliver a defect-free item (supplementary performance); we shall have the right of choice for supplementary performance. Our liability is conditional on it not being an insignificant defect. If one of the two types or both types of supplementary performance are disproportionate, we are entitled to refuse it. Supplementary performance may continue to be refused as long as the customer has not fulfilled their payment obligations towards us to an extent corresponding to the defect-free part of the service.

2. We shall bear the expenses necessary for the purpose of supplementary performance, in particular transport, travel, labour and material costs; the bearing of such costs is excluded insofar as additional costs arise as a result of the shipment of the goods to a location other than the place of performance.

3. Should the above-mentioned supplementary performance fail or be unreasonable for the customer or should we refuse both types of supplementary performance as defined in Section 439 III of the German Civil Code (Bürgerliches Gesetzbuch — BGB), the customer has the right to choose either to reduce the purchase price accordingly (reduction) or to withdraw from the contract in accordance with the statutory regulations (withdrawal). Further claims on the customer's part, regardless of the legal basis, are excluded or limited in accordance with VII.

4. No liability is accepted for damage insofar as it is due to the following reasons: unsuitable or improper usage, incorrect installation by the customer or third parties, natural wear and tear, incorrect or negligent handling, improper changes or repair work undertaken by the customer or third parties without our prior approval.

5. If claims are asserted for which limited liability exists in accordance with VI. or VII., a limitation period of one year following delivery of the purchased item will apply to these claims.

6. None of the above provisions are intended to change the distribution of the legal or judicial burden of proof.

## **VII. Withdrawal of the customer and other liability on our part**

1. The customer's statutory right of withdrawal will not be excluded or limited, except in the cases referred to in VI. Likewise, legal or contractual rights and claims to which we are entitled will not be excluded or limited.

2. We are liable without limitation only in the case of wilful intent and gross negligence (including by our legal representatives and vicarious agents), as well as for damage resulting from injury to life, limb or health resulting from a negligent breach of duty by our legal representatives and vicarious agents. We are also liable without limitation for guarantees and assurances made in the event that a defect covered by such a guarantee or assurance gives rise to our liability. Furthermore, there is no restriction on liability arising from strict liability offences (in particular in accordance with product liability law). Any liability according to the principles of the recourse of the company pursuant to Sections 478 et seq. of the German Civil Code remain unaffected.

3. In the case of other culpable breaches of essential contractual obligations (material obligations), our remaining liability is limited to foreseeable damage typical for the type of contract.

4. In all other cases, liability—irrespective of the legal basis (in particular claims arising from the breach of secondary contractual obligations, as well as other tortious liability)—is excluded.

5. The same (exclusions, limitations and exceptions) applies to claims arising from fault at the time of conclusion of the contract.

6. In the case of the reimbursement of expenses (except those referred to in Sections 439 II, 635 II of the German Civil Code), VII. applies accordingly.

7. Any exclusion or limitation of our liability also applies to our legal representatives and vicarious agents.

## **VIII. Delivery deadlines**

1. We will make every effort to meet the delivery deadlines and other performance deadlines that we provide. However, in the absence of an express guarantee, the only significance of

these is to give the purchaser an approximate indication of the service. In no event shall the purchaser be entitled to claim damages if the deadline is exceeded.

2. The deadline is considered to be met if the delivery item has left the factory or notification of readiness for delivery has been provided by the delivery deadline.

3. Delivery periods begin upon dispatch of the order confirmation.

4. Force majeure will entitle us to a reasonable extension of the deadline or, at our option, to withdraw from the contract in whole or in part without the purchaser being entitled to assert claims for damages against us.

5. Force majeure includes in particular: obstruction due to official measures, operational disruptions, strikes, lockouts, other industrial action, delays in the delivery of accessories, raw materials, auxiliary and operating materials etc.

6. We are not obliged to comply with the deadline if the purchaser does not fulfil its contractual obligations on time.

7. In the event of a delay in delivery in accordance with the above-mentioned provisions, a new delivery date will only be binding upon written confirmation by an employee authorised to represent Christ Electronic Systems GmbH.

8. If the dispatch or the performance of any other service is delayed at the request or by the behaviour of the purchaser, we are entitled to assert a claim for any resulting damages that we incur (e.g. idle time, storage costs).

## **IX. Transfer of risk**

1. Any risk is transferred to the purchaser upon commencement of dispatch. At the purchaser's request and expense, the supplier shall insure the delivery against breakage, transport and fire damage.

2. If dispatch or delivery is delayed due to the behaviour of the purchaser, the risk will pass to the purchaser on the date of readiness for delivery.

## **X. Data protection**

1. In accordance with Section 28 of the German Federal Data Protection Act (Bundesdatenschutzgesetz — BDSG), we would like to point out that the data required in the course of business processing will be processed and stored pursuant to Section 33 of the Federal Data Protection Act by means of a computer system. Of course personal data will be kept confidential.