

## 1 Scope

- 1.1 These terms and conditions of business are applicable to companies, public legal entities and public legal entities with special public funds. These terms and conditions of business shall also be deemed applicable if no specific reference to them is made.

Our deliveries and performances are rendered exclusively on the basis of the conditions set forth below.

The customer's general terms and conditions of business shall only be deemed valid if we explicitly accept them in writing for the respective specific contract. In the event that the customer confirms the order with conditions that deviate from our general terms and conditions of business, then our general terms and conditions of business shall apply even if we do not explicitly object. Our general terms and conditions of business shall be deemed fully acknowledged by the customer at the time our delivery performance is accepted at the latest.

## 2 General provisions

- 2.1 Our quotes are subject to change. Orders only become binding based on our order confirmation, unless stipulated otherwise in the contract.
- 2.2 The information and pictures provided in quotes, price lists, flyers, catalogs, etc. are approximations customary in the industry unless we have explicitly termed them as being binding.
- 2.3 Information provided by telephone and in person shall always be deemed non-binding and having no legal force until explicitly confirmed by us in writing.

## 3 Long-term and call-off agreements, price adjustment

- 3.1 In the event of unforeseeable cost increases, we reserve the right to adjust the prices, including in cases where the orders have already been placed.

## 4 Confidentiality

- 4.1 Every party agrees to use any materials (these also include samples, models and data) and know-how obtained in connection with the business relationships exclusively for the jointly pursued purposes and to protect them from disclosure to third parties with the same diligence as corresponding own materials and know-how, if the other party labeled them confidential or has an obvious interest in the non-disclosure.

This duty starts when the materials or know-how are received for the first time and shall not end after the end of the business relationship either.

- 4.2 The duty does not apply to materials and know-how which are generally known or which were already known to the customer at the time he received them, without being bound to secrecy, or which were later transmitted by a third party authorized to disclose them or which are developed by the receiving customer without the utilization of materials and know-how subject to non-disclosure of the other customer.

## 5 Drawings and descriptions

- 5.1 If a party provides the other party with drawings or technical specifications concerning the merchandise to be delivered or its manufacture, they shall remain the property of the providing party.

## 6 Payment terms

- 6.1 Unless agreed otherwise, our respective invoice is payable immediately without discount.
- 6.2 In the event of an undisputed delivery of deficient merchandise on our part, our customer is still obligated to pay for the non-deficient share.
- 6.3 In addition, the customer is only entitled to set off against legally established or undisputed counterclaims.
- 6.4 If the deadline for payment is missed, we are authorized to charge interest at the rate the bank is charging us for current account overdraft starting from the due date, but at least in the amount of 8 percentage points above the respective base rate set by the European Central Bank. We reserve the right to assert more substantial compensation claims. Specifically, we are entitled to charge a processing fee of EUR 20.00 plus applicable sales tax for every reminder.
- 6.5 If the payment is delayed, we are entitled to suspend the performance of our duties until payment is received provided the customer has been notified hereof in writing.
- 6.6 Bank drafts are not accepted and checks are only accepted by agreement and as conditional payment. A guarantee for the timely presentation of the check and for raising a check protest is excluded.
- 6.7 Should it become apparent after the contract has been executed, that our entitlement to payment is at risk because of the customer's lack of ability to pay, we are entitled to refuse our performance and provide the customer with a reasonable deadline within which he is asked to make payment versus delivery or provide a security. If the customer refuses or if the deadline passes unsuccessfully, we are entitled to withdraw from the contract and request compensation for damages.

## 7 Delivery

- 7.1 Unless stipulated otherwise, our deliveries are made "ex works". The notification of the readiness to ship or pick-up by us shall be deemed relevant for the observation of the delivery date or delivery time.
- 7.2 The delivery time shall be extended reasonably if the conditions outlined in number 51 apply. In addition, it is extended analogously in the event of plant closures due e.g. to plant shutdowns.
- 7.3 Partial deliveries are permitted if their scope is reasonable. They are invoiced separately.
- 7.4 Manufacturing-related excess or short deliveries are permitted within a tolerance of 10 percent of the total order quantity. The total price will be adjusted analogously.

## 8 Shipping and transfer of risks

- 8.1 The customer shall promptly accept merchandise that has been reported ready for shipping or else we are entitled to choose to ship it or store it at the customer's expenses and risk.
- 8.2 For lack of a special agreement, we will select the means and route of transportation.
- 8.3 The risk will be transferred to the customer as soon as the merchandise has been transferred to the carrier or as soon as it is put into storage, but no later than when the merchandise leaves the plant or storage location. This also applies if we are in charge of the delivery and have appointed the carrier.  
  
We are only taking out transportation and storage insurance to cover the part of the delivery route under our responsibility.
- 8.4 Unloading shall always be the responsibility of the customer and be carried out at his risk and expenses.

## 9 Delay in delivery

- 9.1 Agreed delivery times shall be extended analogously in connection with plant closures due to statutory holidays or plant shutdowns.
- 9.2 In the event that the delivery is delayed for a reason outlined in number 67 or because of an action or omission of the customer, an extension of the delivery time commensurate with the circumstances shall be granted.
- 9.3 The customer is only entitled to withdraw from the contract if we are responsible for non-compliance with the delivery date and he has unsuccessfully set a reasonable grace period for us.

## 10 Reservation of title

- 10.1 We reserve the title of all delivered goods until all claims arising from the business relationship with the customer have been fulfilled in full. Even if payments are made for specific performances, our title shall not perish in this respect either.
- 10.2 The customer is entitled to sell these goods in the ordinary course of business as long as he meets his obligations arising from the business relationship with us in a timely manner. However, he is not entitled to pledge or transfer the goods subject to retention of title as security. He agrees to secure our rights in connection with the credited onward sale of the goods subject to retention.
- 10.3 In the event that the customer violates any duties, in particular in the event of a delay in payment, we are entitled to withdraw from and cancel the contract after a reasonable grace period we set for the customer to render the performance has elapsed; the legal provisions concerning the non-requirement for setting a grace period shall remain unaffected. The customer is obligated to surrender the possession. We are entitled to withdraw from the contract if an application for insolvency proceedings involving the customer's assets is initiated.
- 10.4 In the event that the customer treats or processes the goods subject to retention, this shall always be done on our behalf. If the goods subject to retention are processed or inseparably mixed with other objects which do not belong to us, then we acquire the co-ownership of the new merchandise at the ratio of the invoice value of the goods subject to retention to the other processed or mixed objects at the time of the processing or mixing.
- In the event that our goods are connected or inseparably mixed with other movable objects to form a uniform object and if the other object is considered the main object, then the customer shall transfer pro-rated co-ownership to us to the extent the main object belongs to him. The customer shall retain the ownership or co-ownership for us at no cost. In addition, the same shall apply to the object created with the processing or connection and mixing as to the goods subject to retention.
- 10.5 The customer already assigns any claims and rights associated with the sale of goods for which we have a right of ownership now for the purpose of security. We herewith accept the assignation.
- 10.6 The customer shall promptly notify us of immediate enforcement procedures of third parties involving the goods subject to retention, the claims assigned to us or other securities, by surrendering the documents required for an intervention. The same equally applies to any other types of damages.
- 10.7 In the event that the value of the existing securities exceeds the secured claims by more than 20 percent overall, then we are insofar obligated to release securities at our discretion at the customer's request.
- 10.8 Only returns accepted by us in advance are granted with a minimum reduction of the purchase price of 20 percent.

## 11 Notification of defects/material defects

- 11.1 The quality of the merchandise is based exclusively on our information contained in our catalogs or in the quotation or on the technical specifications explicitly agreed to with the customer in the individual case. If we are asked to deliver the goods based on drawings, specifications, samples, etc. provided by our customer, he shall bear the risk associated with the suitability of the merchandise for the intended purpose. The time of the transfer of risk pursuant to number 22 shall be deemed relevant for the contractual status of the merchandise.
- 11.2 The customer or the purchaser in case of third-party deliveries agrees to examine our merchandise, including for deliveries based on samples, without delay after it has arrived for its compliance and suitability and to raise any complaints concerning bad, incorrect or excess/short deliveries immediately and non-obvious defects promptly after they are identified in writing and by providing the details. In the event of bad or incorrect deliveries, the processing and treatment as well as onward sale shall be suspended immediately. The merchandise is deemed accepted no later than at the end of two weeks, for obvious defects after the merchandise has been received and for non-obvious defects as soon as they have been identified, unless we have received the written and detailed notification of defects by that time.
- 11.3 In the event that a formal acceptance of the merchandise or a first sample inspection has been agreed, the objection of defects the customer would have been able to identify during the careful acceptance or first sample inspection is excluded.
- 11.4 We do not accept any liability for material defects arising from unsuitable or improper transport, improper storage, use, incorrect assembly or start-up by the customer or third-parties, common wear, incorrect or negligent handling or for the consequences of improper modifications or repair work performed by the customer or third parties without our consent. The same applies to defects which only insignificantly reduce the value or the suitability of the merchandise.
- 11.5 Claims for material defects fall under the statute of limitation 12 months after the delivery. This does not apply if longer periods are mandatory according to the law.
- 11.6 We shall be given the opportunity to determine the criticized defect. Objected merchandise shall be returned to us promptly upon request; we will cover the transportation costs if the notification of defects is justified. In the event that the customer fails to comply with these duties or modifies the already objected merchandise without our consent, he is waiving any entitlements to compensation for material defects.
- 11.7 In the event of a justified, timely notification of defects, we will reship the objected merchandise or deliver flawless replacement at our discretion.
- 11.8 If we fail to meet these obligations or fail to meet them within a reasonable period of time according to the contract, the customer is entitled to set a final deadline for us, within which we shall meet our obligations. After this deadline has elapsed unsuccessfully, the customer is entitled to request a price reduction, to withdraw from the contract or to perform the necessary remedy or have it performed by a third party at our expenses and risk. A refund of costs is excluded to the extent the expenses are rising because the merchandise has been transported to a different location after being delivered by us, unless this corresponds to the intended use of the merchandise.
- 11.9 The customer only has legal rights of recourse opposite us insofar as the customer has not made any agreements with his buyer which exceed the statutory warranty claims. With respect to the scope of the rights of recourse, number 37, last sentence applies analogously.

## 12 Other entitlements, liability

- 12.1 Unless otherwise provided below, any other and more substantial claims of the customer opposite us are excluded. Specifically, this applies to claims for compensation due to the violation of duties arising from the obligatory relationship and unauthorized action. Therefore, we are not liable for damages which are not involving the supplied merchandise itself. Specifically, we are not liable for lost profit or other financial losses of the customer.

# General terms and Conditions of business (GTC)

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- 12.2 The liability limitations above do not apply in case of intent, gross negligence of our legal representatives or senior executives as well as in case of culpable violation of essential contractual duties. In the event of culpable violation of essential contractual duties, we are only liable for the typical contractual and reasonably foreseeable damage, except in cases of intent or gross negligence of our legal representatives or senior executives.
- 12.3 In addition, the liability limitation does not apply to cases in which the liability according to the Product Liability Act applies to defects of the delivered merchandise for personal and material damages involving privately used objects. It does not apply either to the impairment of life, body or health and to the absence of promised properties if and to the extent the purpose of the promise was to protect the customer from damages that do not involve the delivered merchandise itself.
- 12.4 We are not accepting any liability for verbal information and in particular information provided by telephone, because this information is always deemed non-binding and without legal force. With respect to planning, consulting, processing and other instructions, we only and exclusively accept any kind of liability if we have provided the customer with binding proposals concerning a specific project known to us in response to the customer's written inquiry. Nevertheless, the customer is obligated to examine or appoint competent specialist with the examination of our proposals for the suitability for the specific purpose intended by the customer, by including our merchandise.
- 12.5 To the extent our liability is excluded or limited, this equally applies to the personal liability of our officers, employees, co-workers, legal representatives and assistants.
- 12.6 The statutory regulations governing the burden of proof remain unaffected hereof.

## 13 Statute of limitation

- 13.1 All claims arising from the delivery and performance fall under the statute of limitation 12 months after the invoice date.

## 14 Force majeure

- 14.1 Force majeure, labor disputes, riots, official directives, absent deliveries from our external providers and other unforeseeable, unavoidable and serious events shall relieve us from our duty to perform for the duration of the interference and to the extent of its effect. The same applies if these events occur at a time in which we are in default, unless we intentionally and gross negligently caused the default. We agree to provide the necessary information promptly within a reasonable scope and to adjust the mutual duties to the changed circumstances in good faith.

## 15 Industrial property rights/intellectual property

- 15.1 SABEU is in the possession of industrial property rights as well as rights of use and exploitation involving copy rights at home and abroad (hereinafter referred to as "industrial property rights") which relate to product characteristics (hereinafter referred to as "objects of the agreement").
- 15.2 With respect to the objects of the agreement, SABEU is granting the customer a non-exclusive right to utilize industrial property rights in Germany for the identification of objects of the agreement which can be revoked freely any time.
- 15.3 The granting of sub-licenses to third parties as well as the transfer of the granting of rights (licenses) to third parties is prohibited.
- 15.4 The customer shall exclusively promote original SABEU products covered by industrial property rights. He shall automatically and promptly demonstrate to SABEU by presenting suitable documents that the objects of the contract he is promoting and selling are original SABEU goods.

# General terms and Conditions of business (GTC)

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- 15.5 SABEU warrants that industrial property rights are entered in the respective industrial property registry, specifically in the trademark registry at the time the contract is executed and that SABEU is the owner of the rights of use and exploitation with respect to the copyrights of the illustrations.
- 15.6 SABEU does not guarantee that no third party rights are being violated by the entry and/or utilization of the industrial property rights or the copyrights. At the time the contract is executed, SABEU has no knowledge of any third party rights opposing the entry and/or utilization of industrial property rights and copyrights. The customer indemnifies SABEU against any third party claims asserted opposite the customer in connection with objects of the agreement and industrial property rights, irrespective of the legal grounds, unless they are associated with intent or gross negligence.
- 15.7 The customer shall not challenge industrial property rights personally or support third party challenges. This provision does not apply in countries in which it violates the applicable law.

## 16 Place of performance, legal venue and applicable law

- 16.1 Unless stated otherwise in the order confirmation, our business location has been agreed as place of performance.
- 16.2 The defendant's domicile shall be the legal venue for any legal disputes, including proceedings restricted to documentary evidence.
- 16.3 The contractual relationship is governed exclusively by the laws of the Federal Republic of Germany.

The application of the United Nations Treaty governing contracts for the sale of goods dated April 11, 1980 (CISG – "Vienna Convention on Contracts for the International Sale of Goods") is excluded.

## 17 Severability clause

- 17.1 The covenants outlined in the present agreement represent the understanding of both parties. In the event that a provision contradicts the applicable law, it has been agreed that the clause shall be replaced with one that most closely reflects the intended purpose and is in compliance with the legal stipulations.