

AIDEC GmbH  
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## General Conditions\*

General Terms and Conditions of Delivery ("GTCD") for Products and Services of AIDEC GmbH to be used in business transactions with entrepreneurs

The following terms and conditions of delivery are based on the non-binding condition recommendation of ZVEI - Zentralverband Elektrotechnik und Elektronikindustrie e.V.  
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\* The original German text shall be the governing version.

## Article I: General Provisions

1. For the legal relationships between AIDEC GmbH (hereinafter called "supplier") and the client (hereinafter called "purchaser") in connection with deliveries and/or services of the suppliers (hereinafter called "deliveries") exclusively these terms shall apply (hereinafter also called "GTCD") insofar as the purchaser as entrepreneurial contractual partner (§ 14 German Civil Code, BGB) is a legal entity of public law or is governed by public law. These GTCD shall also apply for subsequent quotations and contracts, even if they have not separately been agreed on or referred to. General Terms and Conditions of the purchaser shall only apply insofar as the supplier expressly consented to them in writing. The scope of deliveries and services as well as their execution are subject to mutually consistent declarations in writing. Condition to the contrary shall not apply even if the supplier silently accepts the services of the contractual partner or if he starts to process an order without any further contradiction which refers to contractual terms of the purchaser.
2. With regard to cost estimates, drawings and other documents (hereinafter called: documents), the supplier reserves the exploitation rights concerning his property rights and copyrights. The documents must be treated as confidential and may only be disclosed to third parties after obtaining the prior consent of the supplier. Upon request, they have to be returned to the supplier when no order is placed. Sentences 1 and 2 accordingly shall apply to documents of the purchaser. They may, however, be disclosed to such third parties who the supplier permissibly has transferred deliveries or the rendering of services to as sub-suppliers or sub-contractors.
3. The purchaser shall have the non-exclusive right to use standard software and firmware with the agreed performance features in unaltered form and on the units agreed upon. Without an express consent in writing, the purchase only may produce on backup copy of the standard software.
4. Partial deliveries are permissible unless they are unacceptable for the purchaser and result in an unreasonable complication of his operational processes.
5. The term "Claims for Damages" in these GTCD shall also include claims for compensation for unnecessary expenditure.
6. Insofar as the purchaser sets specifications for the supplier and nothing else has been agreed upon, the supplier shall not be obliged to check these specification for correctness and suitability - particularly for the known or suspected intended purpose. If the supplier gives advise or recommendations without receiving any money for this service based on the contract, he shall not be liable therefore except in case of intent.
7. Supplier and purchaser agree to maintain strict secrecy concerning knowledge and information of technical and non-technical nature gained from the other contractual party in the scope of preparing and executing the respective contract and particularly with regard to the know-how of the other party and to treat such information as confidentially as they deal with and protect their own sensible information. Without the consent of the other party, such information, data and know-how must not be disclosed or made available to any third party.

## Article II: Prices, Payment Terms and Set-off

1. Prices are to be understood ex works excluding packing plus the applicable statutory sales tax.
2. When the supplier accepted the installation and assembly and nothing else has been agreed upon, the purchaser apart from the agreed remuneration shall bear all ancillary cost such as travel and transport expenses as well as daily allowances.
3. Payments shall have to be made free payment point of the supplier.
4. A set-off by the purchaser shall only be possible with accounts receivable that are undisputed or legally valid.

5. Should there be any unforeseen and considerable increases in prices concerning the calculation for essential delivery and service parts of the supplier after conclusion of the contract provided that the supply or service time lies more than 6 months after contract conclusion, the parties shall be obliged to start negotiations concerning an appropriate adjustment of the prices agreed between them and to reach an agreement which is in the interest of both parties.

### **Article III: Retention of Title**

1. The items pertaining to the Supplies ("Retained Goods") for which the purchase price claim is due immediately or for which a payment period of up to and including 30 days after delivery, delivery with installation/assembly or receipt of invoice has been agreed for the due date of the purchase price claim shall remain the property of the Supplier until payment has been made in total
2. In all other cases, the items pertaining to the Supplies ("Retained Goods") shall remain the Supplier's property until each and every claim the Supplier has against the Purchaser on account of the business relationship has been fulfilled. If the combined value of the Supplier's security interests exceeds the value of all secured claims by more than 20 %, the Supplier shall release a corresponding part of the security interest if so requested by the Purchaser; the Supplier shall be entitled to choose which security interest it wishes to release
3. For the duration of the retention of title, the Purchaser may not pledge the Retained Goods or use them as security, and resale shall be possible only for resellers in the ordinary course of their business and only on condition that the reseller receives payment from its customer or makes the transfer of property to the customer dependent upon the customer fulfilling its obligation to effect payment.
4. Should Purchaser resell Retained Goods, it assigns to the Supplier, already today, all claims it will have against its customers out of the resale, including any collateral rights and all balance claims, as security, without any subsequent declarations to this effect being necessary. If the Retained Goods are sold on together with other items and no individual price has been agreed with respect to the Retained Goods, Purchaser shall assign to the Supplier such fraction of the total price claim as is attributable to the price of the Retained Goods invoiced by Supplier.
5.
  - a. Purchaser may process, amalgamate or combine Retained Goods with other items. Processing is made for Supplier. Purchaser shall store the new item thus created for Supplier, exercising the due care of a diligent business person. The new items are considered as Retained Goods.
  - b. Already today, Supplier and Purchaser agree that if Retained Goods are combined or amalgamated with other items that are not the property of Supplier, Supplier shall acquire co-ownership in the new item in proportion of the value of the Retained Goods combined or amalgamated to the other items at the time of combination or amalgamation. In this respect, the new items are considered as Retained Goods.
  - c. The provisions on the assignment of claims according to No. 4 above shall also apply to the new item. The assignment, however, shall only apply to the amount corresponding to the value invoiced by Supplier for the Retained Goods that have been processed, combined or amalgamated.
  - d. Where Purchaser combines Retained Goods with real estate or movable goods, it shall, without any further declaration being necessary to this effect, also assign to Supplier as security its claim to consideration for the combination, including all collateral rights for the pro rata amount of the value the combined Retained Goods
  - e. have on the other combined items at the time of the combination.

6. Until further notice, Purchaser may collect assigned claims relating to the resale. Supplier is entitled to withdraw Purchaser's permission to collect funds for good reason, including, but not limited to delayed payment, suspension of payments, start of insolvency proceedings, protest or justified indications for overindebtedness or pending insolvency of Purchaser. In addition, Supplier may, upon expiry of an adequate period of notice disclose the assignment, realize the claims assigned and demand that Purchaser informs its customer of the assignment.
7. The Purchaser shall inform the Supplier forthwith of any seizure or other act of intervention by third parties. If a reasonable interest can be proven, Purchaser shall, without undue delay, provide Supplier with the information and/or Documents necessary to assert the claims it has against its customers.
8. 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 in the case of continued failure following expiry of a reasonable 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. The fact that 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 a rescission of the contract, unless the Supplier so expressly declares.

#### **Article IV: Time for Supplies; 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 and if agreed terms of payment and other obligations of the Purchaser are fulfilled. If these conditions are not fulfilled in time, times set shall be extended reasonably; this shall not apply if the Supplier is responsible for the delay.
2. If non-observance of the times set is due to:
  - a. force majeure, such as mobilization, war, terror attacks, rebellion or similar events (e. g. strike or lockout),
  - b. virus attacks or other attacks on the Supplier's IT systems occurring despite protective measures were in place that complied with the principles of proper care,
  - c. hindrances attributable to German, US or otherwise applicable national, EU or international rules of foreign trade law or to other circumstances for which Supplier is not responsible; or
  - d. the fact that Supplier does not receive its own supplies in due time or in due form such times shall be extended accordingly.
3. If the Supplier is responsible for the delay (hereinafter referred to as "Delay") and the Purchaser has demonstrably suffered a loss therefrom, the Purchaser may claim a compensation as liquidated damages of 0.5 % for every completed week of Delay, but in no case more than a total of 5 % of the price of that part of the Supplies which due to the Delay could not be put to the intended use.
4. Purchaser's claims for damages due to delayed Supplies as well as claims for damages in lieu of performance exceeding the limits specified in No. 3 above 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. Rescission of the contract by the Purchaser based on statute is limited to cases where the Supplier is responsible for the delay. The above provisions do not imply a change in the burden of proof to the detriment of the Purchaser.
5. At the Supplier's request, the Purchaser shall declare within a reasonable period of time whether it, due to the delayed Supplies, rescinds the contract or insists on the delivery of the Supplies.

6. If dispatch or delivery, due to Purchaser's request, is delayed by more than one month after notification of the readiness for dispatch was given, the Purchaser may be charged, 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.

#### **Article V: Passing of Risk**

1. Even where delivery has been agreed freight free, the risk shall pass to the Purchaser as follows:
  - a. if the delivery does not include 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 of transport at the Purchaser's expense;
  - b. if the delivery includes assembly or erection, at the day of taking over in the Purchaser's own works or, if so agreed, after a successful trial run.
2. The risk shall pass to the Purchaser if dispatch, delivery, the start or performance of assembly or erection, the taking over in the Purchaser's own works, or the trial run is delayed for reasons for which the Purchaser is responsible or if the Purchaser has otherwise failed to accept the Supplies.

#### **Article VI: Assembly and Erection**

Unless otherwise agreed in written form, assembly and erection shall be subject to the following provisions:

1. Purchaser shall provide at its own expense and in due time:
  - a. all earth and construction work and other 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 as well as fuels and lubricants,
  - c. energy and water at the point of use including connections, heating and lighting,
  - d. suitable dry and lockable rooms of sufficient size adjacent to the site for the storage of machine parts, apparatus, materials, tools, etc. and adequate working and recreation rooms for the erection personnel, including sanitary facilities as are appropriate in the specific circumstances; furthermore, the Purchaser shall take all measures it would take for the protection of its own possessions to protect the possessions of the Supplier and of the erection personnel at the site,
  - e. protective clothing and protective devices needed due to particular conditions prevailing on the specific site.
  - f. proper securing or cordoning off of construction or installation site in order to avoid any intentional or unintentional infliction of harm by third parties (particularly agents/employees of the purchaser or his end customer).
2. Before the erection work starts, the Purchaser shall unsolicitedly make available any information required concerning the location of concealed electric power, gas and water lines or of similar installations as well as the necessary structural data.
3. Prior to assembly or erection, the materials and equipment necessary for the work to start must be available on the site of assembly or erection and any preparatory work must have advanced to such a degree that assembly or erection can be started as agreed and carried out without interruption. Access roads and the site of assembly or erection must be level and clear.
4. If assembly, erection or commissioning is delayed due to circumstances for which the Supplier is not responsible, the Purchaser shall bear the reasonable costs incurred for idle times and any additional traveling expenditure of the Supplier or the erection personnel.

5. The Purchaser shall attest to the hours worked by the erection personnel towards the Supplier at weekly intervals and the Purchaser shall immediately confirm in written form if assembly, erection or commissioning has been completed.
6. If, after completion, the Supplier demands acceptance of the Supplies, the Purchaser shall comply therewith within a period of two weeks. The same consequences as upon acceptance arise if and when the Purchaser lets the two-week period expire or the Supplies are put to use after completion of agreed test phases, if any.

#### **Article VII: Receiving Supplies**

1. The Purchaser shall not refuse to receive Supplies due to minor defects.
2. Should the Supplier request an inspection upon completion of the supply or service, the purchaser shall arrange for such an inspection within two weeks. The supplier shall inform the purchaser as early as possible about the presumable acceptance date. It shall be considered tantamount to acceptance, if the purchaser fails to fulfil his obligation within the test period agreed upon or if the supply has been commissioned after completion of an agreed test period. Should the acceptance test not take place for reasons that are not attributable to the supplier as long as his required staff is still on site, travel and other expenses accruing after a later acceptance shall be separately reimbursed by the purchaser.

#### **Article VIII: Defects as to Quality**

The Supplier shall be liable for defects as to quality ("Sachmängel", hereinafter referred to as "Defects") 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 longer periods are prescribed by law according to Sec. 438 para. 1 No. 2 (buildings and things used for a building), and Sec. 634a para. 1 No. 2 (defects of a building) German Civil Code ("Bürgerliches Gesetzbuch"), - in the case of intent, - in the case of fraudulent concealment of the Defect or - non-compliance with guaranteed characteristic ("Beschaffenheitsgarantie"). Claims for the reimbursement of expenses on the part of the Purchaser in accordance with Sec. 445a BGB (entrepreneur's right of recourse) shall likewise be subject to a statute of limitations of 12 months from the start of the statutory statute of limitations, provided the last contract in the supply chain is not a sale of consumer goods. The legal provisions regarding suspension of the statute of limitations ("Ablaufhemmung", "Hemmung") and recommencement of limitation periods shall be unaffected.
3. Notifications of Defect by the Purchaser shall be given in written form without undue delay.
4. In the case of claims for Defects, the Purchaser may withhold payments to an amount that is in a reasonable proportion to the Defect. The Purchaser has no right to withhold payments to the extent that its claim of a Defect is time-barred. Unjustified notifications of Defect shall entitle the Supplier to demand reimbursement of its expenses by the Purchaser.
5. The Supplier shall be given the opportunity to repair or to replace the defective good ("Nacherfüllung") within a reasonable period of time.
6. 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.
7. 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, excessive strain, unsuitable equipment, defective civil works, inappropriate foundation soil, or claims based on particular external influences not assumed under the contract, or from non-reproducible software errors. Claims based on defects attributable to improper modifications, installation/removal, or repair work carried out by the Purchaser or third parties and the consequences thereof are likewise excluded.

8. The Purchaser shall have no claim with respect to expenses incurred in the course of supplementary performance, to the extent that expenses are increased because the subject-matter of the Supplies has subsequently been brought to another location than the Purchaser's branch office, unless doing so complies with the normal use of the Supplies. This applies accordingly to claims for the reimbursement of expenses on the part of the Purchaser in accordance with Sec. 445a BGB (entrepreneur's right of recourse), provided the last contract in the supply chain is not a sale of consumer goods.
9. The Purchaser's right of recourse against the Supplier pursuant Sec. 445a BGB (entrepreneur's right of recourse) is limited to cases where the Purchaser has not concluded an agreement with its customers exceeding the scope of the statutory provisions governing claims based on Defects.
10. 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. Any other or additional claims of the Purchaser exceeding the claims provided for in this Article VIII, based on a Defect, are excluded.

#### **Article IX: Industrial Property Rights and Copyrights; Defects in Title**

1. Unless otherwise agreed, the Supplier shall provide the Supplies in the country of the place of delivery only, without infringing any third-party industrial property rights and copyrights (hereinafter referred to as "IPR"). If a third party asserts a justified claim against the Purchaser based on an infringement of an IPR by the Supplies made by the Supplier and used in conformity with the contract, the Supplier shall be liable to the Purchaser within the time period stipulated in Article VIII No. 2 as follows:
  - a. The Supplier shall choose whether to acquire, at its own expense, the right to use the IPR with respect to the Supplies concerned or whether to modify the Supplies such that they no longer infringe the IPR or replace them. If this would be impossible for the Supplier under reasonable conditions, the Purchaser may rescind the contract or reduce the remuneration pursuant to the applicable statutory provisions;
  - b. The Supplier's liability to pay damages is governed by Article XII;
  - c. The above obligations of the Supplier shall apply only if the Purchaser (i) immediately notifies the Supplier of any such claim asserted by the third party in written form, (ii) does not concede the existence of an infringement and (iii) leaves any protective measures and settlement negotiations to the Supplier's discretion. If the Purchaser stops using the Supplies in order to reduce the damage or for other good reason, it shall be obliged to point out to the third party that no acknowledgement of the alleged infringement may be inferred from the fact that the use has been discontinued.
2. Claims of the Purchaser shall be excluded if it is responsible for the infringement of an IPR.
3. Claims of the Purchaser are also excluded if the infringement of the IPR is caused by specifications made by the Purchaser, by a type of use not foreseeable by the Supplier or by the Supplies being modified by the Purchaser or being used together with products not provided by the Supplier.

4. In addition, with respect to claims by the Purchaser pursuant to No. 1 a) above, Article VIII Nos. 4, 5, 8, and 9 shall apply mutatis mutandis in the event of an infringement of an IPR.
5. Where other defects in title occur, Article VIII shall apply mutatis mutandis.
6. Any other claims of the Purchaser against the Supplier or its
7. agents or any such claims exceeding the claims provided for in this Article IX, based on a defect in title, are excluded.

#### **Article X: 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.

#### **Article XI: 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 IV 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.

#### **Article XII: Other Claims for Damages**

1. 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.
2. This does not apply if liability is based on:
  - a. the German Product Liability Act ("Produkthaftungsgesetz"),
  - b. intent,
  - c. gross negligence on the part of the owners, legal representatives or executives,
  - d. fraud,
  - e. failure to comply with a guarantee granted,
  - f. negligent injury to life, limb or health; or
  - g. negligent breach of a fundamental condition of contract ("wesentliche Vertragspflichten").

However, claims for damages arising from a breach of a fundamental condition of contract shall be limited to the foreseeable damage which is intrinsic to the contract, provided that no other of the above case applies.

3. The above provision does not imply a change in the burden of proof to the detriment of the Purchaser.



4. Liability for consequential damage, in particular loss of production and lost profit, shall be excluded in all cases except intent or mandatory legal liability.
5. The exclusion of claims for damages as per Section 1) of this Article XII shall also apply insofar as the purchaser instead of a claim for damages demands reimbursement of useless expenditure instead of performance.
6. Shifting the burden of proof to the disadvantage of the purchaser shall not be connected with the regulations above.
7. In as far as the liability of the supplier is excluded or limited, this shall also apply to the personal liability of the supplier's employees, staff, colleagues, representatives and vicarious agents.
8. The claim for damages shall in all cases - except intent or mandatory legal liability - be limited in such a manner that it must be proportionate to the order value and the normally existing insurance cover.

#### **Article XIII: Venue and Applicable law**

1. If the Purchaser is a businessman, sole venue for all disputes arising directly or indirectly out of the contract shall be the Supplier's place of business. However, the Supplier may also bring an action at the Purchaser's place of business.
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).

#### **Article XIV: 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.