

General Conditions of Sale of STEGO Elektrotechnik GmbH, 74523 Schwäbisch Hall, Germany

Clause 1: General

- (1) All deliveries and other services shall solely be subject to the subsequent terms and conditions of sale and delivery; they only apply to business transactions with merchants.
- (2) Deviating terms of the buyer, which have not explicitly been accepted by the seller, shall not be binding albeit the seller has not explicitly excluded said terms.
- (3) Implication and interpretation of these terms and conditions of sale and delivery, as well as conclusion and interpretation of legal transactions with the buyer, are ruled exclusively by the law of the Federal Republic of Germany. The UN Convention on Contracts for the International Sale of Goods (CISG) will not be applied.
- (4) Each provision of these General Conditions of Sale is severable and in the event that any one or several provisions are declared void, the remainder of these terms and conditions shall nevertheless remain in full force and effect. Within reasonable bounds the contracting parties shall be obliged in good faith to replace an invalid provision by a valid provision which in economic terms proves equally successful insofar as this does not cause a considerable change to the contents of this contract. The same shall apply if circumstances in need of regulation are not explicitly regulated.
- (5) The registered office of the seller shall be the place of performance for any obligations resulting directly or indirectly from this contractual relationship, including payment obligation.
- (6) The place of jurisdiction shall be the place of trial responsible for the seller's registered office. The seller shall furthermore be entitled to take legal action at the very court which is responsible for the buyer's registered office or any branch office.
- (7) Arbitration proceedings shall not be applicable in respect of this contractual relationship or these General Conditions of Sale. Only ordinary legal proceedings shall be definitive.

Clause 2: Contract Offers, Scope of Performance and Contract Conclusion

- (1) Any offer to enter into a contract submitted by the seller shall be entirely non-binding. The seller's contract offers shall accordingly be considered as a request to the buyer to submit a quotation. Any order made by the seller shall be considered a binding contract offer.
- (2) The buyer shall be bound to the contract offer for a period of two weeks. This period shall commence upon receipt of the order/contract offer at the seller's place. Within this 2 week time period the seller shall be entitled to either reject or accept the contract conclusion. If the buyer's contract offer is accepted the seller's order confirmation shall exclusively be valid for the scope of the contractually agreed performances; invoices shall likewise be considered as an order confirmation if they have been passed on to the buyer within this 2 week period.
- (3) The design, the choice of material, the specifications and the construction are subject to change and the seller reserves the right to make changes even after an order confirmation has been sent, provided that these changes neither contradict the seller's order confirmation nor the buyer's specifications. The buyer shall also agree to further proposals for modifications made by the seller if they are considered reasonable for the buyer.
- (4) Any documentation, such as illustrations, drawings, indicated dimensions and indicated weights which form the basis for the quotation or order confirmation shall generally be understood as containing approximate values, if they have not explicitly been indicated as binding.

Clause 3: Prices and Terms of Payment

- (1) Prices shall be ex works excluding packaging and other shipping and transport costs and exclude any applicable value added tax. Packaging shall be invoiced at cost and shall only be taken back if the seller is obliged to do so to compulsory legal regulations.
- (2) The compensation of cost shares for tools by the buyer shall be included in the pricing for these specific products. As a result, the buyer shall not acquire ownership of these tools. They remain property of STEGO Elektrotechnik GmbH.
- (3) In the case of 'call-off' orders the seller shall be entitled to procure the material for the entire order and to manufacture the complete order volume immediately. Accordingly, any request for modifications by the buyer cannot be considered after an order has been placed unless said modifications have explicitly been agreed upon.
- (4) In the case where the seller takes the buyer's request for modification into consideration, any extra costs incurred shall be charged to the buyer.
- (5) If no other terms of payment have been agreed upon at the time of contract conclusion, payment is to be effected in cash without any deduction and at no charge to seller's pay office within 30 days after invoicing.
- (6) Settlement date shall be the date on which the seller can dispose of amount paid. If the agreed date of payment has been exceeded, any consequences arising from default in payment shall become effective without the need for a particular reminder.
- (7) In the case where the buyer defaults in payment, the seller shall be entitled to claim default interest amounting to 8% above the base rate under the reservation of asserting further claims.

Clause 4: Offsetting and Withholding of Payments

The buyer's right to offset and withhold payment shall be excluded unless a claim for offsetting or a counterclaim is either undisputed or legally binding or is ready for decision.

Clause 5: Terms of Delivery

- (1) The seller's specification of a date of delivery is given at the seller's best discretion and shall consequently be considered as not binding. The specified date of delivery shall only be binding if said date of delivery or a time of delivery has been agreed upon to be binding.
- (2) If a time of delivery has been agreed upon, said period shall start with sending an order confirmation. If the contract is concluded without the seller's order confirmation the time of delivery shall start with the conclusion of the contract due to the lack of specific agreement.
- (3) The time of delivery shall not start without submission of documents, licences, and release notes to be provided by the buyer, or prior to the receipt of an agreed down-payment.
- (4) In the case where the buyer infringes upon the buyer's obligation to cooperate and/or duty to pay once the time of delivery has started or if the buyer further violates any contractual obligation, the time of delivery shall consequently be extended by the period of time during which the buyer fails to comply with the aforementioned obligation to cooperate and/or to pay and/or infringes upon contractual obligations.
- (5) The time of delivery shall be considered adhered to if by the expiry of the time of delivery the delivery item has left the seller's factory or the seller has notified the readiness for dispatch.
- (6) The time of delivery shall be extended reasonably in case of any measures in the course of industrial actions, particularly strike and lock-out, as well as in the event of unforeseen obstacles which are beyond the seller's will, provided said obstacles have verifiably and considerably influenced the completion or delivery of the delivery item. The same shall apply if aforementioned events occur at any one of the seller's sub-suppliers. The seller shall also not be held responsible for the above-mentioned circumstances, if said circumstances occur during an already existing overdue delivery. The seller shall notify the buyer immediately about the start and end of any of the aforementioned possibilities.
- (7) If a binding date of delivery or binding time of delivery has not been agreed upon, the buyer may request delivery from the seller four weeks after exceeding the non-binding date of delivery or the non-binding time of delivery. The four-week-time period starts at the time of the conclusion of contract between the contracting parties.
- (8) In the case where the buyer combines the request for delivery according to above-mentioned clause (7) with a new time limit for delivery for the seller, the said respite shall at least be two weeks. The new time limit shall start with the seller's receipt of the buyer's request for delivery by which the buyer grants a new time limit for delivery.
- (9) If the contracting parties have agreed upon a binding date of delivery or a binding time of delivery at the time of contract conclusion or afterwards by means of a separate agreement, the buyer shall undertake to grant the seller a new time limit for delivery which shall at least be two weeks, starting with the seller's receipt of the buyer's request for delivery by which the buyer shall grant the seller a new time limit for delivery.
- (10) The buyer's granting of a new time limit shall be dispensable if section 281 II BGB (German Civil Code) is applicable.

Clause 6: Passing of Risk – Acceptance

- (1) Unless otherwise expressly agreed in writing, both national and international deliveries and transport shall be governed by the international ex works (EXW) provisions detailed in Incoterms 2020. Shipping therefore generally takes place for the account and at the risk of the buyer. However, the risk shall pass on to the buyer latest with the dispatch of the delivery or delivery items. The risk shall also be passed on to the buyer if partial delivery takes place or the seller has agreed upon further performances, such as shipping costs or delivery to and assembly at the buyer's location.

- (2) At the request of the buyer and if expressly agreed, the seller shall arrange for the preparation of the import or export forms and/or the transport as well as the insurance of the delivery for the buyer against payment of the expenses incurred for this.
- (3) If a different agreement has been reached in accordance with subclause 1, so that the dispatch is delayed by circumstances within the buyer's responsibility, then in such a case, too, the risk shall pass on to the buyer at the date of the seller's readiness for shipment.
- (4) The risk shall also pass to the buyer if the buyer is in default of acceptance. If the seller stores the goods at its premises owing to the buyer's default of acceptance, the buyer shall be obliged to pay customary storage charges to the seller. Should the goods be stored at a third party's premises, the buyer shall bear the costs of said third party.
- (5) If the delivery items are damaged or lost during transportation by Bundesbahn (German Federal Railway) or any other carrier, the contracting parties shall immediately initiate an ascertainment of facts.
- (6) If the contracting parties have agreed upon either the seller's debt to be discharged by remittance or the seller's debt to be discharged at the buyer's domicile or a contract of sale involving carriage of goods, the seller shall be entitled to determine the means of transportation and the transport route excluding the seller's liability for choosing the fastest and cheapest possibility.

Clause 7: Retention of Title

- (1) The seller shall retain title of the delivered goods until payment is made in full. Retention of title in the seller's favour shall also apply until any claims including future and conditional claims resulting from the business relationship between buyer and seller are fulfilled.
- (2) The buyer shall not be entitled to pledge or assign the delivered goods as security. The buyer shall, however, be entitled to sell the goods delivered with retention of title in the proper course of business. By way of anticipation, the buyer hereby assigns its claims towards its business partners from said business to the seller.
- (3) If the delivered goods are processed or finished, the retention of title shall be extended, covering all the new goods. The buyer gains joint ownership at the percentage corresponding to the proportion of the value of the goods delivered by the seller.
- (4) If the value of existing securities for the seller exceeds the existing claims lastingly by more than 10%, the seller shall release securities upon the buyer's request at the seller's choice.
- (5) The seller shall be entitled to enforce the retention of title without withdrawing from the contract, unless the seller explicitly requests the return of the goods which are subject to the retention of title.

Clause 8: Warranty and Liability

- (1) If the goods delivered by the seller are defective, the seller shall be entitled to either remedy the defect or deliver goods free of defect upon his choice. In case of remediation of the defect, the seller shall be obliged to bear all necessary expenses in the course of remedying the defect, in particular transport, travel, labour and material costs.
- (2) In the case where the remediation of defects either fails or the remediation involves unreasonable costs, or the seller is unwilling or unable to remedy the defect or to deliver goods free of defect, or said remedial action is delayed beyond an appropriate period of time, the buyer shall either be entitled to withdraw from the contract after a further two-week period granted for supplementary performance or the buyer shall be entitled to demand a reduction of the purchase price.
- (3) Apart for cases stipulated in section 281 II BGB and section 323 II BGB, setting a deadline for supplementary performance shall also be unnecessary if the seller refuses both kinds of supplementary performance according to section 439 VI BGB or if the supplementary performance is unacceptable for the buyer or has failed. Remediation of defects shall be considered as failed after the third failed attempt unless derogations apply due to the nature of the matter or defect or owing to other circumstances.
- (4) Any claims of the buyer going beyond this, particularly claims for damages instead of remedial action including loss of profit or demands due to other financial damage inflicted upon the buyer, shall be excluded pursuant to subclause (8).
- (5) The limitation of liability in subclause 4 shall not apply if the buyer claims for damages based on a guarantee of quality and durability provided by the seller.
- (6) The seller shall not assume any warranty obligation for normal wear and tear of the delivered item. Furthermore, the seller shall not be held liable for damages resulting from incorrect assembly conducted by third parties or damages caused by excessive operational demands which are contradictory to the goods' intended purpose or common use.
- (7) If the legal transaction between the seller and the buyer is a commercial transaction according to section 377 HGB (German Commercial Code), the buyer shall undertake an inspection of the received goods immediately upon delivery by the seller, provided said inspection is reasonable in the course of proper business. Any goods found to be defective shall be reported to the seller without delay. Should the buyer fail to notify the seller, the goods shall be considered accepted unless the defect was not visible during aforementioned inspection. A visible defect shall be defined as being no less than a defect that was clearly recognisable through external scrutiny at the incoming inspection or which otherwise becomes apparent through due inspection in the in the course of proper business. If a defect becomes visible afterwards, the buyer is to notify the seller immediately upon discovery, otherwise the goods shall be considered accepted nonetheless, even in consideration of the hidden defect.
- (8) The warranty period for the buyer's warranty claims shall be one year for newly manufactured moveable items and work performances on moveable items; this period shall be six months for contracts involving the delivery of used items. The warranty period shall commence either with the delivery of the goods or after the acceptance of work performances.
- (9) The reduction of the legal warranty periods mentioned in subclause (8) shall not apply if the seller's warranty obligation is associated with injury to the buyer's life, limb or health.

Clause 9: Liability

- (1) Under the following provisions the seller shall be liable for damages – regardless of the legal reasons – if the seller, the seller's legal representative or the seller's vicarious agent has caused them culpably:
 - a) The seller shall be bear unlimited liability towards the buyer in cases of intent, gross negligence, slight negligence and injury to life, limb or health.
 - b) Otherwise, the seller's liability for slight negligence shall be limited as follows:
 - aa) Liability shall only exist in case of violation of essential contract obligations (cardinal obligations) and shall be limited to damage which is foreseeable and typical for this type of contract at the time of contract conclusion. If the damage is covered by an insurance taken out by the buyer for this particular damage event (except for insurance on a fixed-sum basis), the seller shall only be held liable for possible associated disadvantages to the buyer, such as increased insurance premiums or interest-related disadvantages until the time of claim settlement by the insurance company.
 - bb) The same shall apply for damage in connection with the remediation of a defect.
- (2) Irrespective of the seller's fault, the seller's potential liability according to the German Product Liability Act (Produkthaftungsgesetz) shall remain unaffected.
- (3) The buyer's rights resulting from the seller's warranty according to clause 8 (Warranty) shall remain unaffected.
- (4) Personal liability of the seller's legal representatives, vicarious agents and employees for any damage caused by slight negligence shall be excluded.

Clause 10: Re-acceptance and waste disposal

- (1) The buyer shall be responsible for the proper disposal of the delivered goods at the end of use.
- (2) The buyer shall undertake to oblige commercial third parties, to whom the goods have been passed on, to properly dispose of the goods at the end of use at their expense and according to applicable legal stipulations. The buyer shall also require such an undertaking from any third parties who are further recipients of the goods.
- (3) If the buyer fails to impose the obligation for proper disposal and further obligation on to third parties to whom the delivered goods have been passed on, the buyer shall undertake to re-accept the delivered goods after the end of use at the buyer's expense and to properly dispose of the goods according to applicable legal stipulations.
- (4) The manufacturer's right to obtain the buyer's acceptance or indemnification shall not be barred by the statute of limitations before the end of a two-year period after the final end of use of the device. The two-year suspension of the statute of limitations commences with the manufacturer's receipt of the buyer's written statement about the end of use at the earliest.