

General sales conditions

effective as of 1 January 2020

I. General provisions

1. The scope of the deliveries or services (hereinafter referred to as „deliveries“) of Neumann Elektronik GmbH (hereinafter referred to as „Seller“) shall be determined by the mutual written declarations. However, the general terms and conditions of the purchaser shall only apply to the extent that the seller has expressly agreed to them in writing.

2. The Seller reserves the unrestricted right of exploitation of its property rights and copyrights to cost estimates, drawings and other documents (hereinafter: documents). The documents may only be made accessible to third parties with the prior consent of the Seller and shall be returned to the Seller immediately on request if the order is not placed with the Seller. Sentences 1 and 2 shall apply mutatis mutandis to Buyer's documents; these may, however, be made accessible to third parties to whom Seller has permissibly transferred deliveries.

The Buyer shall have the non-exclusive right to use standard software with the agreed performance characteristics in unchanged form on the agreed equipment. The Buyer may make one backup copy without express agreement.

4. Partial deliveries are permissible and billable, provided they are reasonable for the Buyer.

II. Offer and completion of contract

1. The offers of the seller are subject to change and non-binding, unless otherwise stated in the offer.

2. The Buyer's order is a legally binding offer to the conclusion of a contract.

3. A supply contract is only concluded by the written order confirmation of the Seller, which can be issued within 2 weeks after receipt of the Buyer's order and technical clarification. The content of the confirmation of order is decisive for the content of the contract. If the Buyer does not object immediately, the content of the confirmation of order shall form the basis of the contract. If no order confirmation is issued, a supply contract is concluded by the provision of the goods.

4. The Seller reserves the right to change the technical concept on which the offer is based, provided that this does not affect the performance and quality of the offered delivery item or the price or the delivery date.

III. Prices and terms of payment

1. The prices are ex works (EXW registered office of the seller, Incoterms 2010) excluding packaging plus the respective applicable statutory value added tax. In principle, the prices valid at the time of the offer shall apply.

2. If the Seller has assumed responsibility for installation or assembly and unless otherwise agreed, the Buyer shall bear, in addition to the agreed remuneration, all necessary incidental costs such as travel expenses, costs for the transport of tools and personal luggage and allowances.

3. Payments shall be made free of charge to the Seller's payment point.

4. The payment term for the Seller is always to be paid in advance without deduction when the order is placed, unless there are individual contractual adjustments. In the event that the economic circumstances or payment delays occur at the ordering party, the individual contractual adjustments can be terminated without notice at any time.

5. If the Buyer is in delay of payment, we shall be entitled to charge interest on arrears at a rate of 5 percentage points above the base interest rate without the need for separate proof.

6. In addition, in the event of delay in payment, we shall be released from the obligation to continue to supply goods or services already ordered until all overdue receivables have been settled in full. Any agreed delivery or service deadlines are automatically cancelled. This shall also apply to orders other than the one concerning the claim.

7. The compensation is only permissible with undisputed or legally binding claims. A right of retention on the part of the customer is excluded, unless it is based on the same contractual relationship.

IV. Ownership reservation

1. The items of the deliveries (reserved goods) shall remain the property of the Seller until all claims to which the Seller is entitled against the Buyer under the business relationship have been satisfied. If the value of all security interests to which the Seller is entitled exceeds the amount of all secured claims by more than 20%, the Seller shall release a corresponding part of the security interests at the request of the Buyer.

2. During the existence of the reservation of title, the Buyer shall be prohibited from pledging the goods or transferring ownership by way of security and resale shall only be permitted to resellers in the ordinary course of business and only on condition that the reseller receives payment from its customer or makes the reservation that ownership shall not pass to the customer until the customer has fulfilled its payment obligations.

3. The Buyer assigns his claims against the respective customer to the Seller who accepts this. In the event that the delivered goods are combined or mixed, the Seller shall acquire partial ownership in proportion of his delivery share to the new product. The claim against the Buyer's customer is assigned to the corresponding extent and the assignment is accepted by the Seller.

4. In the event of breaches of duty by the Buyer, in particular default of payment, the Seller shall be entitled to withdraw from the contract and take back the goods; the Buyer shall be obliged to surrender the goods. The taking back or assertion of the reservation of title does not require the Seller to withdraw from the contract; these actions or a seizure of the reserved goods by the Seller shall not constitute withdrawal from the contract unless the Seller has expressly declared this.

V. Deadlines for deliveries; Delay

1. The compliance with delivery periods shall be subject to the timely receipt of all documents to be supplied by the Buyer, necessary permits and releases, in particular of plans, as well as the compliance with the agreed terms of payment and other obligations by the Buyer.

If these requirements are not met in time, the deadlines shall be extended accordingly; this shall not apply if the Seller is responsible for the delay.

2. If non-compliance with the deadlines is due to force majeure, e.g. mobilisation, war, riot, pandemics or similar events, e.g. strike, lockout, the deadlines shall be extended accordingly.

3. If the Seller is in delay, the Buyer may - if he can credibly demonstrate that he has suffered damage as a result - demand compensation for each completed week of the delay of 0.5% each, but in total no more than 5% of the price of that part of the deliveries which could not be put into useful operation due to the delay.

4. Both claims for damages by the Buyer on account of delayed delivery and claims for damages in lieu of performance which exceed the limits specified in No. 3 shall be excluded in all cases of delayed delivery, even after expiry of a deadline for delivery possibly set to the Seller. This shall not apply in cases of mandatory liability based on intent, gross negligence or injury to life, body or health; this shall not entail a change in the burden of proof to the disadvantage of the customer. The Buyer may only withdraw from the contract within the framework of the statutory provisions insofar as the delay in delivery is attributable to the Seller.

5. At the request of the Seller, the orderer shall be obliged to declare within a reasonable period of time whether he withdraws from the contract due to the delay in delivery and/or claims damages instead of performance or insists on delivery.

6. If dispatch or delivery is delayed at the request of the Buyer by more than one month after notification of readiness for dispatch, the Buyer may be charged, for each month commenced, storage costs of 0.5% of the price of the items of the deliveries, but not exceeding a total of 5%.

The contracting parties are at liberty to prove higher or lower storage costs.

VI. Transfer of risk

1. The risk shall pass to the Buyer as follows, even in the case of carriage paid delivery

a.) For deliveries without installation or assembly, when they have been brought to dispatch or collected. At the request and expense of the Buyer, the Supplier shall insure the deliveries against the usual transport risks.

b.) for deliveries with assembly or mounting on the day of acceptance in the own company or, if agreed, after a faultless trial run.

2. If dispatch, delivery, the start or performance of assembly or installation, the taking over in the own works or the trial run is delayed for reasons for which the Buyer is responsible or if the Buyer is in default of acceptance for other reasons, the risk shall pass to the Buyer.

VII. Installation and assembly

Unless otherwise agreed in writing, the following provisions shall apply to installation and assembly:

1. The Buyer shall take over at his own expense and provide in due time:

- a.) all earthwork, construction work and other ancillary work unrelated to the industry, including the necessary skilled and unskilled workers, building materials and tools,
- b.) the commodities and materials required for assembly and commissioning, such as scaffolding, lifting gear and other devices, fuels and lubricants
- c.) Energy and water at the place of use including connections, heating and lighting,
- d.) sufficiently large, suitable, dry and lockable rooms at the place of assembly for the storage of machine parts, apparatus, materials, tools, etc. and for the assembly personnel adequate working and recreation rooms including sanitary facilities appropriate to the circumstances; in addition, in order to protect the Supplier's property and the assembly personnel on the construction site, the Buyer shall take the measures it would take to protect its own property,
- e.) Protective clothing and protective devices required due to special circumstances at the installation site.

2. Prior to the start of the installation work, the Buyer shall provide the necessary information on the location of concealed power, gas and water lines or similar installations as well as the necessary structural data without being asked.

3. Before the start of assembly or installation, the materials and equipment necessary for the work to start must be available on the site of assembly or installation and all preparatory work must have advanced to such an extent that assembly or installation can be started as agreed and carried out without interruption. Access roads and the site of installation or assembly must be levelled and cleared.

4. If assembly, installation or commissioning is delayed due to circumstances for which the Seller is not responsible, the Buyer shall bear to a reasonable extent the costs for waiting time and additionally required travel by the Seller or the installation personnel.

5. The Customer shall certify to the Seller on a weekly basis the duration of the working hours of the assembly personnel as well as the completion of installation, assembly or commissioning without delay.

6. If the Seller demands acceptance of the delivery after completion, the Buyer shall accept the delivery within two weeks. If this is not done, acceptance shall be deemed to have been effected. Acceptance shall also be deemed to have been effected if the delivery has been put into use - if applicable after completion of an agreed test phase.

VIII. Receipt of goods

The Buyer may not refuse to accept deliveries due to minor defects.

IX. Defects of quality

The Seller shall be liable for material defects as follows:

1. All those parts or services which show a material defect within the period of limitation - irrespective of the operating time - shall, at the discretion of the Seller, be repaired, replaced or provided again free of charge, provided that the cause of the defect already existed at the time of the transfer of risk.

2. Claims for material defects become statute-barred after 12 months. This does not apply if the law according to §§ 438 para. 1 No. 2 (Buildings and items for buildings), 479 para. 1 (right of recourse) and 634a para. 1 No. 2 (Building defects) BGB (German Civil Code) prescribes longer periods.

3. The Buyer shall immediately notify the Seller in writing of any material defects.

4. In the event of a notice of defects, payments by the Buyer may be withheld to an extent which is in reasonable proportion to the material defects which have occurred. The Buyer may withhold payments only if a notice of defect is asserted, the justification of which is beyond doubt. If the notice of defect is unjustified, the Seller shall be entitled to demand reimbursement of the expenses incurred from the Buyer.

5. The Seller shall first always be given the opportunity for subsequent performance within a reasonable period of time.

6. If the subsequent performance fails, the Buyer may - without prejudice to any claims for damages pursuant to Art. XI - withdraw from the contract or reduce the remuneration.

7. There shall be no claims based on defects in cases of insignificant deviations from the agreed quality, insignificant impairment of usability, natural wear and tear or damage arising after the transfer of risk from faulty or negligent handling, excessive strain, unsuitable equipment, defective construction work, unsuitable foundation soil or from particular external influences not assumed under the contract, or from non-reproducible software errors. If the Buyer or third parties carry out improper modifications or repair work, there shall likewise be no claims based on defects for these and the resulting consequences.

8. Claims of the Buyer for expenses incurred for the purpose of subsequent performance, in particular transport, travel, labour and material costs, shall be excluded if the expenses increase because the object of the delivery has subsequently been taken to a place other

than the Buyer's branch office, unless such transfer corresponds to its intended use.

9. The Buyer's statutory rights of recourse against the Seller shall only exist to the extent that the Buyer has not entered into any agreements with his customer which go beyond the statutory warranty claims. Furthermore, item 8 shall apply accordingly to the scope of the Buyer's right of recourse against the Seller.

10. For claims for damages Art. XI (Other Claims for Damages) shall apply. Further or other claims than those in this Art. VIII against the Seller and his vicarious agents due to a material defect shall be excluded.

X. Industrial property rights and copyrights; Legal defects

1. Unless otherwise agreed, the Seller shall be obliged to provide the delivery free of industrial property rights and copyrights of third parties (hereinafter referred to as property rights) only in the country of the place of delivery. If a third party asserts a justified claim against the Buyer on account of an infringement of industrial property rights by the deliveries made by the Seller and used in accordance with the contract, the Seller shall be liable to the Buyer within the period of time stipulated in Art. VIII No. 2 as follows:

a.) The Seller shall, at his discretion and at his expense, either obtain a right of use for the deliveries concerned, modify them so that the property right is not infringed, or exchange them. If this is not possible for the Seller under reasonable conditions, the Buyer shall be entitled to the statutory rights of withdrawal or reduction.

b.) The Seller's obligation to pay damages shall be governed by Art. XI.

c.) The aforementioned obligations of the Seller shall only exist if the Buyer notifies the Seller immediately in writing of the claims asserted by the third party, does not acknowledge an infringement and all defensive measures and settlement negotiations are reserved to the Seller. If the Buyer ceases to use the Supplies in order to reduce the damage or for other good cause, the Buyer shall be obliged to point out to the third party that such cessation of use does not imply any acknowledgement of an infringement of Property Rights.

2. Claims of the Buyer shall be excluded insofar as he is responsible for the infringement of property rights.

3. Claims of the Buyer shall also be excluded if the infringement of the property right is caused by special requirements of the Buyer, by an application not foreseeable by the Seller or by the fact that the delivery is modified by the Buyer or used together with products not supplied by the Seller.

4. In the event of infringements of industrial property rights, the claims of the Buyer regulated in No. 1 a) shall otherwise be governed by the provisions of Art. VIII No. 4, 5 and 9 shall apply accordingly.

5. In the event of other defects of title, the provisions of Art. VIII shall apply accordingly.

6. More extensive or different from those in this Art. IX claims of the Buyer against the Seller and his agents based on a defect of title other than those regulated in this article are excluded.

XI. Impossibility; Adjustment of contract

1. If delivery is impossible, the Buyer shall be entitled to claim damages, unless the Seller is not responsible for the impossibility. However, the Buyer's claim for damages shall be limited to 10 % of the value of that part of the delivery which cannot be put into useful operation due to the impossibility. This limitation shall not apply to the extent that liability is mandatory in cases of intent, gross negligence or injury to life, body or health; this shall not imply a change in the burden of proof to the detriment of the customer. The right of the Buyer to withdraw from the contract shall remain unaffected.

2. If unforeseeable events within the meaning of Art. IV No. 2 substantially change the economic importance or the contents of the delivery or have a substantial effect on the Seller's business, the contract shall be adapted accordingly in good faith. If this is not economically justifiable, the Seller shall have the right to withdraw from the contract. If he wishes to make use of this right of withdrawal, he must inform the Buyer immediately after becoming aware of the consequences of the event, even if an extension of the delivery period had initially been agreed with the Buyer.

3. Especially in case the delivery, directly and/or indirectly via third parties, is subject to an export restriction / embargo, the Seller shall not be obliged to release the goods, refund down payments for work started or completed, in case no BAFA approval, zero notice or determination of a delivery not subject to approval is available or can be reached. Any compensation for damages to the Buyer shall be excluded.

XII. Other claims for damages

1. Claims for damages and reimbursement of expenses on the part of the Buyer (hereinafter referred to as „claims for damages“), regardless of the legal basis, in particular due to breach of duties arising from the contractual obligation and from tort, are excluded.

2. This shall not apply in cases of mandatory liability, e.g. under the Product Liability Act, in cases of intent, gross negligence, injury to life, body or health, or breach of material contractual obligations. However, the claim for damages for the violation of essential contractual obligations is limited to the contract-typical, foreseeable damage, as far as there is no intent or gross negligence or liability for injury to life, body or health. A change in the burden of proof to the disadvantage of the Buyer is not associated with the above provisions.

3. As far as the Buyer is entitled according to this Art. XI, such claims shall become statute-barred upon expiry of the limitation period applicable to claims for material defects pursuant to Art. VIII No. 2.

XIII. Place of jurisdiction and applicable law

1. If the Buyer is a merchant, the sole place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be the Seller's registered office. However, the Seller shall also be entitled to bring an action at the domicile of the Buyer.

2. The legal relations in connection with this contract shall be governed by German substantive law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

XIV. Liability of the contract

The contract remains binding in its remaining parts even if individual provisions are legally ineffective. This shall not apply if adherence to the contract would constitute unreasonable hardship for one of the parties.