



Precitec KG

General Conditions for Supply and Delivery

These General Conditions as well as potential separate contractual agreements shall apply to all supplies and deliveries from Precitec KG to customers located outside Germany. Customer's different conditions of purchase will not become terms of contract, even by order acceptance.

The General Conditions for Supply and Delivery of mechanical, electrical and electronic products Orgalime S 2000 as well as the appendix attached to the Orgalime General Conditions S 2000, which will be provided on request, do apply, unless there are deviating provisions in these conditions.

PREAMBLE

Regarding clause 1 (amendment):

Hereinafter the Precitec KG will be referred to as the Supplier, the customer as the Purchaser and both contractual partners as parties.

ACCEPTANCE TESTS

Regarding clause 6:
is deleted without replacement

Regarding clause 8:
is deleted without replacement

TIME FOR DELIVERY, DELAY

Regarding clause 10 (amendment):
Compliance with the delivery deadline is subject to the correct and punctual supply to the Supplier himself.

Regarding clause 11 (amendment):
Total compensation in this case shall not exceed 7.5% of the purchase price.

Regarding clause 13 first sentence (amendment – in italics):
If the Product is not delivered on or before the delivery deadline, (...), *and the Purchaser suffers damages as a result*, the Purchaser is entitled to (...).

PAYMENT

Regarding clause 18 (to be replaced by the following):
Unless otherwise agreed, the purchase price shall be paid either within 8 days with a 2% discount, or within 30 days due net from the receipt of the invoice as well as the goods respectively the provision of service. Payment shall be made subject to invoice verification.

LIABILITY FOR DEFECTS

Regarding clause 22 (amendment – in italics):
(...) remedy any defect or nonconformity (...) resulting from a *defect of title*, faulty design (...).

Regarding clause 26 (amendment):
If an infringement of industrial property rights or copyrights (for which the Supplier is liable) occurs, the Supplier will attempt to provide the Purchaser, at his own expense, with the right for further use or to modify the product in such a way (which is reasonable for the customer), so that an infringement of industrial property rights or copyrights no longer exists.

Regarding clause 32 (to be replaced by the following):

If the Supplier does not fulfil his obligations under Clause 26 within a reasonable time the Purchaser may give the supplier a final and reasonable deadline for delivery on or before which the Supplier must fulfil his obligations.

If the Supplier fails to fulfil his obligations before or on the deadline,

a) the Purchaser is entitled to a reduction of the purchase price in proportion to the reduced value of the Product, whereby the reduction shall not exceed 15 per cent of the purchase price, or,

b) if the defect is so substantial that the Purchaser loses all further interest in the contract, the Purchaser may terminate the contract by notice in writing to the Supplier.

The Purchaser is then entitled to compensation for the loss he has sustained, up to a maximum of 15 per cent of the purchase price.

Only in urgent cases where industrial safety is endangered and to prevent disproportionately large damages, (whereby the Supplier must be informed immediately), the Purchaser may himself (or employ a third party to) carry out any necessary remedial works and claim reimbursement of the expenditure incurred.

Where successful remedial works have been undertaken by the Purchaser or a third party, reimbursement (by the Supplier) of reasonable costs incurred by the Purchaser shall be in full settlement of the Supplier's liabilities for the said defect.

Should the elimination of an infringement of industrial property rights or copyrights (for which the Supplier is liable) not be possible under economically adequate conditions or within a reasonable period of time, both the Purchaser and the Supplier are entitled to terminate the contract by notice in writing. The Supplier shall exempt the Purchaser from any claims of the owner of the property rights against the Purchaser; the Purchaser shall forfeit this right of recourse if he does not inform the Supplier immediately after the assertion of claims (of whatever kind) against him and grant the Supplier the right and the possibility to take legal action against such claims, whereby the Purchaser shall undertake to assist the Supplier according to the Supplier's demands.

Regarding clause 33:
is deleted without replacement

Regarding clause 34 (amendment):
The Supplier is not liable for any infringement of industrial property rights or copyrights of third persons if the infringement is based on a requirement of the Purchaser or if the infringement occurs only as a result of concrete use of the delivery item by the Purchaser, or at the Purchaser's premises.

Regarding clause 37 fifth sentence (amendment – in italics):
(...) reasonably foreseeable damage which is intrinsic to the contract, *assuming that the reasonably foreseeable damage which is intrinsic to the contract will not exceed the purchase price*.

DISPUTES AND APPLICABLE LAW

Regarding clause 44 (to be replaced by the following):
All disputes arising out of, or in connection with the contract shall be finally settled by the Baden-Baden County Court ("Landgericht Baden-Baden").



If this court is not responsible for a dispute arising out of, or in connection with the contract, the dispute shall be settled (under the Rules of Arbitration of the International Chamber of Commerce in Zurich, Switzerland) by one or more arbitrators appointed in accordance with the said rules.

Regarding clause 45 (to be replaced by the following):
The contract shall be governed by the substantive law of the Supplier's country to the exclusion of the UN Convention for contracts concerning international trade (CISG) of 11.04.1980.

Supplemental provisions:

1. Confidentiality

Both Parties shall undertake to handle all data and information (which becomes available in connection with the business start-up and development) with absolute secrecy for an unlimited period of time, especially where third parties are concerned and (unless required for the achievement of the business objectives) shall neither record such data and/or information, pass it on to any third party, nor use it in any way.

2. Disposal of waste electrical and electronic Equipment

a) The Purchaser accepts the responsibility to properly dispose of the delivered products at the end of their useful life at his own expense and in compliance with the legal regulations and thus exempts the Supplier from the obligation according to §10.2 ElektroG (obligation of the Supplier to take back delivered products) and associated claims.

b) The Purchaser has to contractually obligate commercial third parties to whom he resells the delivered products to properly dispose of them at the end of their useful life at their own expense and in compliance with the legal regulations, and to impose a corresponding transmission of obligation in case of another transfer.

c) If the Purchaser neglects to contractually obligate third parties to whom he transfers the delivered products to accept the disposal obligation and to transmit this obligation to possible other third parties, the Purchaser has to take back the delivered products at the end of their useful life at his own expense and to properly dispose of them in compliance with the legal regulations.

d) The statute of limitation of the Supplier's claim to the transmission of the obligation/exemption by the Purchaser is 2 years after the final end of product utilization. The limitation period begins at the earliest from the date the Supplier receives the Purchaser's written notice about the final end of utilization.

3. Software use

Insofar as the scope of delivery includes software, the Purchaser will be granted a non exclusive right to use the delivered software including its documentation. The software shall only be used with the relevant delivery item. The use of the software on more than one system is prohibited.

The Purchaser may only copy, revise or translate the software or convert it from the object code into the source code to the legal acceptable extent (§§ 69 a ff UrhG). The Purchaser shall undertake not to remove manufacturers' instructions – particularly copyright notations – or change them without explicit prior approval by the Supplier. All other rights to the software and the documentation, including any copies, shall remain with the Supplier or with the software supplier. The granting of sublicenses is not permitted.

Subject to change without notice

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