

General Conditions of Sale, Delivery and Installation

1. General

- 1.1 These General Conditions of Sale, Delivery and Installation shall be binding if declared applicable in the quotation or order confirmation. Any conditions stipulated by the customer which are in contradiction to these General Conditions shall only be valid if expressly accepted by the supplier in writing.
- 1.2 All agreements and legally relevant declarations on the part of the contracting parties must be in writing in order to be valid.

2. Quotation and conclusion of contract

- 2.1 A contract shall only be deemed to have been concluded once the supplier has confirmed acceptance of an order in writing following its receipt.
- 2.2 Quotations which do not stipulate an acceptance period shall not be binding. The supplier shall only be bound to a quotation without an acceptance period once it has issued express written confirmation of the customer's declaration of acceptance.
- 2.3 Quotations which stipulate an acceptance period shall be deemed not to have been accepted if the customer does not expressly accept the quotation in writing within the set period.
- 2.4 Tacit declarations of acceptance are excluded.

3. Scope of delivery

- 3.1 The order confirmation shall determine the scope of delivery and services, and how the delivery is to be made/the services performed. Materials or services that are not included in this shall be calculated as additions.
- 3.2 The supplier may make changes to the order confirmation without prior notice if this results in improvements and does not lead to a price increase.

4. Plans and other technical documentation, price lists, etc.

- 4.1 Plans, brochures, catalogues, drawings, models and other technical documentation, as well as price lists and cost proposals – including those in electronic form – shall not be binding unless otherwise agreed. Specifications in technical documentation (such as plans, brochures, catalogues, drawings or models) shall only be binding if they are expressly assured in the order confirmation.
- 4.2 Each contracting party shall reserve all rights to the technical documentation (such as plans, brochures, catalogues, drawings or models) and similar information of a physical or non-physical nature – including electronic formats – that it has provided to the other contracting party. The receiving contracting party shall recognise these rights and, without prior written authorisation from the other contracting party, shall not make such documentation accessible to third parties whether in whole or in part, nor shall it use such documentation for purposes other than the purposes for which it has been provided.
- 4.3 If the scope of delivery includes software, the supplier shall grant the customer the right to use the delivered software plus its documentation exclusively in conjunction with the delivery item provided by the supplier and intended for this purpose. Using the software on more than one system shall be prohibited.
- 4.4 The customer shall undertake to refrain from removing information from the supplier – particularly notes on copyright – and from changing it without express prior permission.
- 4.5 All other rights to the software and documentation, including copies thereof, shall remain with the supplier and/or the software supplier. The customer does not have the right to grant a sublicense for the delivered software.

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5. Regulations in the destination country

The customer must make the supplier aware of regulations and standards of a legal, official and other nature, where these regulations and standards relate to making deliveries, performing services, operation, and the prevention of illness and accidents. The customer must do so without being requested, no later than the point at which the order is placed.

6. Prices

- 6.1 Unless otherwise agreed, the supplier's prices shall be quoted net, ex works, in EUR, and without packaging, transport, insurance, assembly, installation and commissioning as well as legal VAT.
- 6.2 In the event that the costs forming the basis of the calculation increase after conclusion of the contract, and this increase has been caused by the customer, the supplier shall be entitled to amend the prices specified in the order confirmation accordingly up to the point at which they have finally completed all the duties they are obligated to undertake.
- 6.3 Price changes shall be permitted if there are more than four months between the point at which the contract was concluded and the agreed delivery deadline. If wages, material costs or market cost prices then increase for the supplier during the period leading up to the point at which delivery has been completed, the price may be increased to a reasonable degree that reflects this rise in costs.

7. Terms of payment

- 7.1 The period of payment shall be 14 days net from the date of invoicing. Unless otherwise agreed in writing, payment for deliveries abroad shall be made in advance or by way of an irrevocable letter of credit that is payable on sight and with the confirmed bank (Credit Suisse, CH-9001 St. Gallen). All commissions and fees shall be charged to the customer.
- 7.2 In the case of orders with a value of EUR 50,000 or more, payments must be made as follows, subject to special agreements:
 - a) Delivery transaction
 - 30% on placing order
 - 70% immediately after delivery
 - b) Installation transactions with acceptance
 - 30% on placing order
 - 60% after delivery release
 - 10% after commissioning or acceptance, but 4 weeks after delivery at the latest.
- 7.3 Unless otherwise agreed in writing, the customer must make the payments at the supplier's place of business without deducting any discounts, expenses, taxes or fees whatsoever.
- 7.4 In the event of a payment default, the supplier shall reserve the right to cease delivery and assembly immediately and shall be entitled to charge default interest of 8% p.a.
- 7.5 The supplier shall also reserve the right to invoice the costs associated with expenses for any overdue notices.
- 7.6 The customer may not withhold payments in the event of complaints that are not recognised or counterclaims that are not enforced by law.
The minimum invoice value is EUR 50.00.
- 7.7 The purchase price claim shall be due immediately in the event that the customer ceases payment or becomes insolvent.

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8. Retention of title

- 8.1 The supplier shall retain the title to the delivery up to the point at which payment has been made for it in full. The customer shall undertake to put in place any measures necessary for protecting the supplier's title.
- 8.2 The supplier shall be entitled to have their retention of title entered in the appropriate register, with the assistance of the customer.

9. Delivery period

- 9.1 The delivery period shall begin at the point when the supplier accepts the order.
- 9.2 The delivery period shall be extended to a reasonable extent:
 - a) if the supplier does not receive the specifications required for executing the order in good time or if the customer subsequently changes them;
 - b) if periods of payment are not adhered to, letters of credit are opened too late, or the supplier does not receive the necessary import licences in good time;
 - c) if there are hindrances that the supplier is unable to prevent through no fault of its own and in spite of exercising due care, regardless of whether these hindrances arise with the supplier, the customer or a third party. Hindrances of this nature refer to force majeure events such as epidemics, mobilisation, war, civil unrest; significant disruptions in operation (as a result of strikes, for example); accidents; industrial disputes; late or missing supplies of the necessary raw materials, semi-finished products or finished products; important workpieces being rejected; official acts or failures to act; and natural phenomena. In such cases, the delivery period shall extend even if the events occur during a delivery default.

10. Transfer of risk

- 10.1 Unless otherwise agreed, the risk shall transfer to the customer on dispatch or collection ex works.
- 10.2 If dispatch is delayed due to circumstances for which the supplier is not responsible, the risk shall transfer to the customer from the point at which the supplier is ready to dispatch.

11. Delivery defaults

- 11.1 Rights arising from delivery defaults may not be asserted until a reasonable grace period has passed. The grace period may not be less than two weeks.
- 11.2 In the event of disruptions in operation or other unforeseen circumstances such as those specified in Clause 9.2, the delivery period shall extend accordingly without the supplier becoming liable for damage. This shall apply even if such an event occurs during the delivery default.
- 11.3 Compensation arising from delivery defaults may only be claimed in cases of wilful intent or gross negligence on the part of the supplier or its auxiliaries. Compensation for consequential damage (such as loss of profit and interruptions in business) shall be excluded.
- 11.4 If the supplier is proven to be at fault in the case of a delivery default and the grace period has passed, the customer shall be entitled to demand a reduction in the purchase price from the supplier. This reduction shall amount to a maximum of ½% per full week of the delay, but no more than 5% in total, calculated on the basis of the contractual price of the part affected by the delay in delivery.
- 11.5 Unless contradicted by any mandatory law, the customer shall have no further rights and claims – with the exception of those expressly specified in Clauses 11.1 to 11.4.

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12. Delivery, transport and packaging

- 12.1 The supplier shall pack the products with care.
- 12.2 The supplier must be notified in good time of any special wishes concerning dispatch and insurance. Transport shall be carried out on the customer's account and at the customer's risk. The customer must immediately direct any complaints relating to transport to the last carrier in the process, on receipt of the delivery or freight documentation.
- 12.3 The customer shall be responsible for insurance against damage of any kind. Even if the supplier is required to take out the insurance policy, this shall be carried out on the customer's account.

13. Checking and accepting the delivery

- 13.1 The customer must check the delivery within a reasonable period following receipt and notify the supplier in writing immediately of any defects that are identified. If the customer fails to do so, the delivery/service shall be deemed to have been approved.
- 13.2 As soon as the works are complete under the terms of the contract and any acceptance checks have been performed successfully, the works shall be deemed to have been accepted by the customer. The warranty period shall begin at this point. If specified in the quotation, the customer must issue a certificate (acceptance report) containing the date of completion and the date of the acceptance checks.
- 13.3 If the customer prevents the acceptance checks from being carried out, whether or not they are to blame for this, acceptance shall be deemed to have taken place. The warranty period shall then begin by means of the supplier notifying the customer in writing.
- 13.4 If the acceptance checks are unable to take place due to circumstances affecting the customer, the acceptance checks shall be postponed. However, the postponement must not exceed a period specified by the parties. If no such period has been specified, it shall be 3 months.

14. Warranty and liability

- 14.1 The supplier warrants that the products it delivers are free from manufacturing and material defects.
- 14.2 Assured properties are only those which are expressly identified as such in the order confirmation or the instructions for use, as well as those which are usually found if the products are used in an appropriate manner. This assurance shall be valid up to the point at which the warranty period expires, and no longer.
- 14.3 If the products are defective, the supplier shall undertake to remedy the defects or replace the products at its discretion. The warranty period shall begin from the point of delivery or the point at which notification of readiness for dispatch is issued, and – unless otherwise agreed – shall last for 12 months.
- 14.4 If a defect as defined in Clause 14.3 is not remedied by the supplier within a reasonable period by means of substitute delivery or eliminating said defect, the customer may demand a reduction in the purchase price or cancellation of the contract after three attempts at remedy.
- 14.5 The warranty shall expire prematurely if the customer or a third party undertakes inappropriate modifications or repairs or if the customer, in the event of a defect, does not immediately take all appropriate steps to mitigate the damage and give the supplier the possibility of remedying the defect, but instead remedies the defect themselves. Any warranty claim shall also be void if non-original TELSONIC spare and wear parts are used for the complete "TELSONIC Ultrasonic System" or written permission is not obtained from TELSONIC AG or Telsonic GmbH for every supplement and design modification.

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- 14.6 Damage that has not demonstrably resulted from poor materials, design defects, poor workmanship or other reasons for which the supplier is responsible shall be excluded from the supplier's warranty and liability. In particular, the supplier shall not be liable for damage caused by incorrect use, negligence, or insufficient maintenance by the customer.
- 14.7 Other than those explicitly specified in Clauses 14.3 and 14.4, the customer shall have no rights and may not make any claims in respect of defects affecting materials, design or workmanship as well as the absence of assured properties. In particular, no damage compensation shall be due in the event of operational failures, a loss of profits, and so on.
- 14.8 In the case of rented or test installations, the customer shall be liable for any damage to the installation that has not been caused by design, manufacturing or material defects.
- 14.9 The customer shall not be entitled to make any claims for damage arising from breaches of contract and for damage that has not arisen on the delivery item itself, provided that no gross negligence or wilful intent exists on the part of the supplier or its auxiliaries.
- 14.10 Where legally permitted, the supplier shall not assume any liability for damage arising from infringements of commercial protection rights (such as patents, utility models or designs).
- 14.11 If the supplier is liable for damage compensation, its financial circumstances, the nature, scope and duration of the business relationship, and – where applicable – the order value must be taken into account as appropriate and in good faith, to the benefit of the supplier, when calculating the compensation amount.
- 15. Export licence proviso**
If the supplier is to make a delivery to another country, quotations and order confirmations shall only be issued subject to the condition precedent that any necessary export licences will be granted by the responsible bodies.
- 16. Assembly and commissioning**
If the scope of delivery includes assembly and/or commissioning, the following conditions shall also apply:
- 16.1 Unless otherwise agreed, the service shall be billed on the basis of time spent at the supplier's assembly rates. Material expenses must also be reimbursed, as must costs incurred by staff for travelling to and from the site, costs incurred for placing staff in reasonable accommodation, transport costs, customs, customs charges and transport insurance for luggage and tools, costs for procuring identification papers and passports, plus any other cash expenses, such as phone charges.
- 16.2 The customer shall certify to the assembly personnel the work, travel and maintenance time, as well as the work performed, on the assembly registration forms provided by the assembly personnel. If the customer refuses certification or is unable to obtain certification for other reasons, billing shall be based on the assembly registration forms completed by the supplier. Any additional work (such as masonry, breaking work, plastering, carpentry, electrical connections, earthworks or painting) shall not be included in the quotation, assuming they have not been itemised separately together with their quantities and prices. Work that is not included in the order must be compensated separately at the supplier's charge rates. The same shall apply to additional costs arising from interruptions in services for reasons that are not the fault of the supplier.

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- 16.3 The customer shall undertake to obtain assistance for performing services, at its own cost. In particular, it must
- a) provide suitable auxiliaries where these are necessary (masons, carpenters, locksmiths and other specialists, plus general handymen) – as many as are required for the assembly work and for however long is necessary;
 - b) in good time, carry out all earthworks, construction work, foundation work and scaffolding work – including procurement of the necessary construction materials – establish electricity and cooling water connections as well as unpressurised drainage points, and carry out all sanitary engineering work, electrical engineering work, installation work, masonry and carpentry;
 - c) make available the appropriate routes for transporting assembly parts and mobile cranes;
 - d) provide, without being requested to so and prior to the assembly work, the necessary information on the locations of concealed electricity, gas and water lines or similar facilities, as well as the necessary structural information;
 - e) make available heating, lighting, energy sources and water, including the necessary connections.

17. **Right of the supplier**

The supplier may withdraw from the contract either entirely or in part if the financial circumstances of the customer deteriorate considerably.

18. **No set-off**

Neither the supplier nor the customer may set off any receivables and/or payments against one another.

19. **Intellectual property**

Unless otherwise agreed, the supplier shall be entitled to all title and exploitation rights arising from developments that the supplier has made on the customer's behalf or for the customer.

20. **Applicable law**

This contract is subject exclusively to German law (even if the customer's company headquarters are located abroad). International or multinational contracts and legislation concerning purchases, particularly the United Nations Convention on Contracts for the International Sale of Goods, are excluded.

21. **Jurisdiction**

The supplier's headquarters are the place of jurisdiction:

TELSONIC GmbH, 90766 Fürth, Germany