

General conditions of sale, delivery and assembly

1. General information

- 1.1 These general conditions of sale, delivery and assembly are binding insofar as they are declared applicable in the offer or in the order confirmation. Other terms and conditions of the customer shall only be valid insofar as they have been expressly accepted by the supplier in writing.
- 1.2 All agreements and legally relevant declarations of the contractual parties require written form in order to be valid.

2. Offer and contract conclusion

- 2.1 A contract shall only be deemed concluded when the supplier has confirmed its acceptance in writing after receipt of an order.
- 2.2 Offers that do not include an acceptance period are non-binding. The supplier shall only be bound to an offer without an acceptance period if the declaration of acceptance of the customer is confirmed expressly and in writing.
- 2.3 Offers that include an acceptance period shall be deemed not to have been accepted unless the customer expressly accepts the offer in writing within the specified period.
- 2.4 Tacit acceptance is excluded.

3. Scope of delivery

- 3.1 The order confirmation shall be decisive for the scope and execution of the delivery and service. Materials or services not included therein shall be charged extra.
- 3.2 Changes to the order confirmation may be made by the supplier without prior notice, insofar as they result in an improvement and do not lead to a price increase.

4. Plans and other technical documents as well as price lists etc.

- 4.1 Plans, brochures, catalogues, drawings, models and other technical documentation as well as price lists and cost estimates, also in electronic form, shall not be binding unless otherwise agreed. Details in technical documents (such as plans, brochures, catalogues, drawings or models) shall only be binding insofar as they are expressly confirmed in the order confirmation.
- 4.2 Each contract party reserves all rights to any technical documentation that they have provided to the other contract party (such as plans, brochures, catalogues, drawings or models) and similar physical or non-physical information, including in electronic form. The receiving contract party acknowledges these rights and shall not make the documents accessible to third parties in whole or in part without the prior written consent of the other party or shall not use them outside the purpose for which they were handed over.
- 4.3 Insofar as software is included in the scope of delivery, the supplier grants the customer the right to use the software supplied including its documentation exclusively in connection with the delivery item delivered by the supplier and as intended for it. Use of the software on more than one system is prohibited.
- 4.4 The customer undertakes not to remove or to modify the manufacturer data (especially copyright notes) without the prior express consent of the supplier.
- 4.5 All other rights to the software and the documentation including the copies shall remain with the supplier or the software supplier. The customer shall not be entitled to sublicense the software supplied.

5. Regulations in the country of destination

Without being requested, the customer must inform the supplier at the latest with the order regarding the legal, official and other regulations and standards, which relate to the execution of deliveries and services, the operation and to illness and accident prevention.

General conditions of sale, delivery and assembly

6. Prices

- 6.1 The prices of the supplier are, unless otherwise agreed, net, ex works, in Euro, without packaging, transport, insurance, assembly, installation, commissioning and VAT.
- 6.2 If the costs which form the basis of the calculation increase after conclusion of the contract and if this cost increase was caused by the customer, the supplier shall be entitled, until the final fulfilment of the duties incumbent on it, to adjust the prices stated in the order confirmation accordingly.
- 6.3 Price changes are permissible if there are more than four months between the conclusion of the contract and the agreed delivery date. If, subsequently, wages, material costs or market cost prices increase for the supplier until the completion of the delivery, the price may be increased reasonably in accordance with the cost increase.

7. Payment terms

- 7.1 The payment period is 14 days net from date of invoice. For deliveries abroad, unless otherwise agreed in writing, payment shall be made by advance payment or against an irrevocable letter of credit payable at sight, payable at the confirmed bank (Credit Suisse, CH-9001 St. Gallen). All commissions and fees shall be charged to the customer.
- 7.2 For orders above 50,000 Euro, payments shall be subject to special agreements as follows:
 - a) Delivery business
 - 30% on order
 - 70% immediately after delivery
 - b) Plant business with acceptance
 - 30% on order
 - 60% after delivery acceptance
 - 10% after commissioning or acceptance, however at the latest 4 weeks after delivery.
- 7.3 Unless otherwise agreed in writing, the payments shall be made by the customer at the registered office of the supplier without a deduction for cash discount, expenses, taxes and fees of any kind.
- 7.4 In the event of delayed payment, the supplier reserves the right to stop delivery and assembly immediately and shall be entitled to charge default interest of 8% p.a.
- 7.5 The supplier reserves the right to charge the expenses for reminders additionally.
- 7.6 The customer may not withhold payments for complaints that are not recognised or counterclaims that have not been legally established.
The minimum invoice value is 50.00 Euro.
- 7.7 In the case of suspension of payment or insolvency of the customer, the purchase price claim shall be due immediately.

General conditions of sale, delivery and assembly

8. Retention of title

- 8.1 The supplier shall reserve the ownership of the delivery until its complete payment. The customer is obligated to take the necessary measures to protect the property of the supplier.
- 8.2 The supplier is entitled to register the retention of title in the corresponding register with the participation of the customer.

9. Delivery time

- 9.1 The delivery time begins with the acceptance of the order by the supplier.
- 9.2 The delivery time shall be extended appropriately:
- if the data required for the execution of the order is not received by the supplier in time or if these are subsequently changed by the customer;
 - if payment deadlines are not met, letters of credit are made effective too late or the necessary import licenses do not arrive at the supplier on time;
 - if impediments arise which the supplier cannot avoid, despite the application of due diligence, regardless of whether these arise at the supplier, the customer or a third party. Such impediments are events of force majeure, such as epidemics, mobilisation, war, riots, major operational interruptions (such as strikes), accidents, labour disputes, late or faulty supply of the required raw materials, semi-finished or finished goods, rejects of important workpieces, official measures or omissions, natural events. The delivery time shall be extended in these cases, even if they occur during a delay in delivery.

10. Transfer of risk

- 10.1 The risk is transferred to the customer with shipping or pickup ex works, unless otherwise agreed.
- 10.2 If the shipment is delayed due to circumstances for which the supplier is not to blame, the risk shall pass to the customer from the date of readiness for shipment of the supplier.

11. Delay in delivery

- 11.1 Rights arising from delayed delivery can only be asserted after a reasonable period of grace. The period of grace may not be less than two weeks.
- 11.2 In the event of operational interruptions or other unforeseen events as stated in Article 9.2, the delivery time shall be extended accordingly, without the supplier being liable for damages. This shall also apply if the event occurs during the delivery delay.
- 11.3 Compensation for delivery delay may only be asserted in the case of intent or gross negligence of the supplier or its vicarious agents. The compensation of indirect damages (e.g. loss of profit, loss of business etc.) is excluded.
- 11.4 In the case of proven fault delivery delay and after expiry of the period of grace, the customer shall be entitled to demand a reduction of the purchase price from the supplier. The reduction for each full week of delay shall be at most ½%, but not more than 5% in total, calculated on the contract price of the delayed part of the delivery.
- 11.5 Insofar as mandatory law does not preclude it, the customer shall have no further rights and claims due to delay in the delivery or service except those expressly mentioned in Articles 11.1 to 11.4.

General conditions of sale, delivery and assembly

12. Delivery, transport and insurance

- 12.1 The products shall be carefully packed by the supplier.
- 12.2 Special requests regarding shipping and insurance shall be notified to the supplier in good time. Transport shall be at the expense and risk of the customer. Complaints in connection with the transport are to be directed by the customer on receipt of the delivery or the freight documents immediately to the last carrier.
- 12.3 The insurance against damage of any kind is incumbent on the customer. Even if it is to be concluded by the supplier, it shall be on account of the customer.

13. Inspection and acceptance of the delivery

- 13.1 The customer must check the delivery within a reasonable period after receipt and notify the supplier of any defects immediately in writing. If it fails to do so, the delivery and service shall be considered approved.
- 13.2 As soon as the work has been completed according to contract and any acceptance tests have been carried out successfully, the work shall be deemed to have been accepted by the customer. At this time, the warranty period shall begin. Insofar as provided for in the offer, the customer must issue a certificate (acceptance report) in which the date of completion and the date of the acceptance tests are noted.
- 13.3 If the customer prevents the acceptance tests from being carried out with or without being culpable, the acceptance shall be deemed to have taken place. The warranty period shall begin with written notification from the supplier to the customer.
- 13.4 If the carrying out of the acceptance tests cannot take place as a result of circumstances occurring at the customer, the acceptance tests shall be postponed. The deferral may not, however, exceed a period of time fixed by the parties, in the absence of such a period, 3 months.

14. Warranty and liability

- 14.1 The supplier warrants that the products delivered by it are free from manufacturing and material defects.
- 14.2 Warranted features are only those which are expressly designated as such in the order confirmation or instructions for use as well as those which are customary under normal use. This warranty shall expire with the expiry of the guarantee period at the latest.
- 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 or a maximum of 2000 operating hours, whichever comes first. Wear parts shall be excluded from the warranty period, e.g. converter, torsional heads, booster, sonotrodes and anvils.
- 14.4 If a defect within the meaning of Article 14.3 is not remedied within a reasonable period of time by replacement delivery or elimination of the defect by the supplier, the customer may demand a reduction of the purchase price or cancellation of the contract after three attempts at improvement.
- 14.5 The warranty shall expire prematurely if the customer or a third party undertakes improper changes or repairs or if the customer, when a defect has been detected, does not immediately take all suitable measures to mitigate the damage and give the supplier the opportunity to rectify the defect, but rather remedies the defect on its own. Likewise, any warranty shall expire if original TELSONIC spare and wear parts are not used for the entire "TELSONIC ultrasound system" or if TELSONIC AG or Telsonic GmbH has not given its written consent for each addition and design change.
- 14.6 Excluded from the warranty and liability of the supplier are damages that are not demonstrable as a result of bad material, faulty construction, inadequate execution or

General conditions of sale, delivery and assembly

other reasons, which the supplier is responsible for. In particular, the supplier shall not be liable for damages caused by improper use, neglect or inadequate maintenance by the customer.

- 14.7 Due to defects in material, design or execution as well as the failure of warranted characteristics, the customer shall have no rights and claims other than those explicitly mentioned in Articles 14.3 and 14.4. In particular, no compensation for loss of business, lost profits, etc. shall be owed.
- 14.8 In the case of rental or test systems, the customer shall be liable for any damage to the system if the damage was not caused by design, fabrication or material defects.
- 14.9 The customer shall not be entitled to any claims for damages resulting from a breach of contract or for damages that have not arisen on the delivery item itself, unless the supplier or its vicarious agents are guilty of gross negligence or intent.
- 14.10 To the extent permitted by law, the supplier assumes no liability whatsoever for damages resulting from the infringement of industrial property rights (such as patents, utility models or designs).
- 14.11 If the supplier is liable for damages, in the calculation of the amount of the damages, its economic circumstances, the type, extent and duration of the business relationship as well as, if applicable, the value of the order in favour of the contractor shall be taken into account in good faith.

15. Reserve regarding the export license

If the supplier is to deliver abroad, offers and order confirmations shall only be made under the suspensory condition that the possibly required export licenses are issued by the competent authorities.

16. Assembly and commissioning

Insofar as the scope of services includes assembly and/or commissioning, the following conditions shall apply additionally:

- 16.1 Unless otherwise agreed, the service shall be invoiced according to the time spent using the applicable assembly rates of the supplier. The materials expenses are in addition to be reimbursed, as well as the travel costs for return travel of the staff, the accommodation costs of the staff in a reasonable accommodation, transport costs, customs, customs duties and transport insurance for luggage and tools, costs for obtaining the identity documents, the passes as well as other cash expenses, such as telephone expenses etc.
- 16.2 The customer shall certify for the assembly personnel the work, travel and waiting time as well as the work performance on the assembly documents submitted by the assembly personnel. If the customer refuses the document or if it is not possible to obtain the document for other reasons, the invoicing shall be carried out according to the assembly documents filled out by the supplier. All ancillary works (for example masonry, caulking, plastering, carpentry, electrical connection, earthworks and painting work) are not included in the offer unless they are listed separately as items with quantity and price. Works not included in the order are to be remunerated additionally according to the invoicing rates of the supplier. The same shall apply to additional costs incurred if a service is interrupted for reasons for which the supplier is not responsible.

General conditions of sale, delivery and assembly

16.3 The customer is obligated to provide assistance in the performance of the service at its expense. In particular

- a) to provide the necessary suitable auxiliary personnel (builders, carpenters, metal workers and other specialists, labourers) in the quantity and time required for the assembly;
- b) to undertake in a timely way all earthworks, construction, foundation and scaffolding work including procurement of the necessary building materials, installation of electricity and cooling water connections and pressure free drains, plumbing, electrical, technical, masonry and carpentry work;
- c) to provide the appropriate access ways for the delivery of the assembly parts and crane trucks;
- d) to provide the necessary information without being asked regarding the location of concealed electricity, gas and water pipes or similar installations as well as the required structural information before the beginning of the assembly work;
- e) to provide heating, lighting, energy and water including the required connections.

17. Use of data

The supplier is entitled to copy, transfer, store and analyzes data in order to optimize its products and services.

17.1 Data are automatically generated operating data, such as sensor data, status data, error codes, operating times and manually generated data, such as service logs.

17.2 Without the consent of the purchaser, the supplier will not disclose any data to third parties.

17.3 Insofar as personal data are collected, the statutory data protection provisions apply.

18. Right of the supplier

The supplier may withdraw from the contract in whole or in part if the economic circumstances of the customer deteriorate significantly.

19. Offset prohibition

Neither the supplier nor the customer shall be entitled to offset claims and/or services against each other.

20. Intellectual property

Unless otherwise agreed, all rights of ownership and exploitation of developments that the supplier has carried out on behalf of the customer or for the customer shall be assigned to the supplier.

21. Applicable law

The present contract is subject exclusively to German law (even if the customer has its registered office abroad). The application of international or multi-national contracts and laws regarding the purchase, in particular of the United Nations Convention on Contracts for the International Sale of Goods, are excluded.

22. Place of jurisdiction

Jurisdiction is the registered office of the supplier:

TELSONIC GmbH, 91056 Erlangen