

## GENERAL TERMS OF SALE

### DST Dauermagnet-SystemTechnik GmbH

#### Section 1 General, Validity

1. These general terms and conditions of sale (T&Cs) shall apply for all our business relationships with our business partners (hereinafter also known as Client). They shall also apply for all future goods and services or offers made to our Client, even if they are not agreed again separately. The T&Cs shall however, only apply if our Client is an entrepreneur (Section 14 of the German Civil Code [BGB]), a legal entity under public law or a public-law special fund.

2. Our T&Cs shall in particular apply for contracts on the sale and/or supply of movables (hereinafter also known as goods) regardless of whether we manufacture the goods ourselves or buy them in from sub-suppliers (Sections 433 and 651 of the German Civil Code [BGB]).

3. Our T&Cs alone shall apply. If the Client's general terms and conditions of business differ from, or are contrary to our T&Cs, they shall only become an integral part of the contract, and to the extent that, we have expressly agreed to them. This requirement for our consent shall also apply in those cases in which we carry out an order placed by the Client without expressing any reservations and we are aware of his terms and conditions.

4. Individual agreements made in an individual case with the Client (including side agreements, supplements and amendments) shall in all cases prevail over these T&Cs. A written contract or our written confirmation shall be definitive for the content of such agreements.

5. Legally relevant declarations and notices which are to be submitted to us by the Client after the contract is signed (e.g. periods of time to be set, notification of defects, declarations of withdrawal from the contract or reduction of the purchase price) must be made in writing to be legally valid.

6. References to the validity of statutory regulations shall only be significant for the purposes of clarification. Consequently the statutory regulations shall also apply, insofar as they have not been directly modified or expressly precluded in these T&Cs, even without such a clarification.

#### Section 2 Offer, Conclusion of the contract

1. Our offers shall be subject to change without notice and non-binding, provided that they have not been expressly marked as being binding or include a specific period of acceptance. This shall also apply if we have handed over catalogues, technical documentation (e.g. drawings, plans, electronic files, calculations, costings, references to DIN standards), other product descriptions or documents – including those in electronic format, to the Client.

2. An order placed by the Client for goods shall be regarded as a binding offer to enter into a contract. Provided that there is nothing stated otherwise in the contract, we shall be entitled to accept this offer to enter into a contract within 30 days from receipt by us.

3. Acceptance may be stated either in writing, whereby written form (e.g. by order confirmation) shall suffice, or by means of delivering the goods to the Client.

4. The contract entered into in writing including these T&Cs alone shall apply for the legal relationship with our Client. This contract shall describe all arrangements between us and the Client. Verbal promises made by us prior to the contract being signed are not legally binding. Verbal arrangements shall be replaced by the written contract, unless they do not expressly show that they are to continue to apply on a binding basis. Public comments (e.g. advertising statements, general sales promotion) made by us or by other third parties (e.g., manufacturers) shall not be regarded as an agreement on features and in particular do not include any promise of a guarantee.

5. Information from us about the goods or services (e.g. technical data, weights, dimensions, tolerances, load capacity) as well as presentations, e.g. in the form of drawings or diagrams shall only count as approximations, unless their use for the contractually assumed purpose requires precise conformity. Given this, it is in particular not guaranteed characteristics, but instead a description or marking of our goods or services.

Discrepancies and discrepancies normal within the trade arising as a result of legal regulations or which constitute technical improvements are allowed, provided that they do not impair the usage for the contractually intended objective. The same shall apply mutatis mutandis for the replacement of parts (e.g. parts of sub-assemblies) with equivalent parts.

6. Amendments to or supplements for the contractual agreements made including these T&Cs must be made in writing to be valid. Apart from our directors and authorised signatories, our employees are not entitled to make verbal arrangements differing from written amendments and supplements. Messages sent by telecommunications (e.g. e-mails or fax messages) shall satisfy the requirement for written form, provided that the copy of the signed declaration is forwarded.

### **Section 3 Delivery, Passing of risk, Acceptance, Default in taking delivery, Part-deliveries**

1. The terms of delivery are ex works, which is also the place of fulfilment for the delivery and any cure which may have to be rendered. At the Client's request and expense the goods shall be despatched to another destination (delivery to a place other than the place of performance). Unless an agreement has been made otherwise, we shall be entitled to specify the method of despatch ourselves (in particular transport company, despatch route and packing). If we owe installation work, the place of fulfilment shall be that place at which the installation work has to be carried out.

2. This risk of accidental loss, accidental deterioration of the goods shall pass over to the Client no later than at hand-over. If the goods sold are to be delivered to a place other than the place of performance the risk of accidental deterioration of the goods as well as the risk of delay shall pass over as soon as the goods are delivered to the haulier, the freight forwarder or to any other person or organisation appointed to despatch the goods. Insofar as acceptance has been agreed, this shall count for the passing of risk. The statutory regulations in contracts for services law shall, moreover, also apply for an agreed acceptance. If the Client is in default with taking delivery of the goods, this shall be the equivalent in terms of the passing of risk as hand-over and/or acceptance.

3. Insofar as acceptance has to take place, the goods shall be regarded as having been accepted, if

- The delivery and, provided that we also owe installation, installation, has been completed,
- We have notified the Client that the goods/services are ready for the acceptance test, and in doing so point out the fictitious acceptance in this paragraph and have called upon him to confirm acceptance,
- After delivery or installation, 14 calendar days have passed or the Client has begun to use the goods and in this case 10 working days have elapsed since delivery or installation

and

- Our Client has failed to grant acceptance within this period of time for another reason than on account of a defect of which we have been notified, which makes it impossible or significantly more difficult to use the goods.

4. If the Client is in default with taking delivery, if he is failing to co-operate or if our delivery is delayed for other reasons for which the Client is responsible, we shall consequently be entitled to demand compensation for the loss incurred as a result of this including additional expenditure (e.g. storage costs). We shall charge a lump sum as compensation amounting to 100.00 € per calendar day beginning with the delivery period or – in the absence of a delivery period – with the notification that the goods are ready for despatch. Our right to prove that we have suffered a greater loss and our statutory rights (in particular for compensation for additional expenditure incurred by us, reasonable compensation, right of termination) shall remain unaffected by the above. The lump sum is however to be offset against additional claims for money. The Client shall be allowed to prove that we have not suffered any losses at all or that we have suffered losses which are significantly lower than the above lump sums.

5. We shall be entitled to deliver part deliveries, if the part delivery can be used by our Client as part of achieving the use intended by the contract, we have guaranteed that the remaining goods ordered will be supplied and our does not incur any considerable additional expenditure or additional costs as a result of this (unless we declare that we are prepared to take over such costs).

### **Section 4 Delivery period, Default in delivery, Call-off**

1. The delivery period shall be agreed individually and/or stated by us when accepting an order. Periods of time and deadlines tentatively offered for supplying goods and services shall always only apply as approximations, unless a fixed period of fixed date has been expressly agreed. Provided that this is not the case, the delivery period shall be at least 12 weeks from the contract being signed. The delivery period will have been observed if the goods have left our works by its expiry, or we have notified the Client that the goods are ready for despatch. If a despatch has been agreed, delivery periods and delivery dates shall refer to the point in time of hand-over to the haulier, freight forwarder or other third party contracted to transport the goods.

2. Compliance with periods set for delivering goods and rendering services assumes that our Client has fulfilled all his contractual obligations. Irrespective of our rights if our Client is in default – we may demand an extension of periods set for delivering goods and rendering services or the postponement of dates for delivering goods and rendering services by the duration of the delay plus a reasonable start-up period, if our Client fails to fulfil his contractual obligations and/or responsibilities to us.

3. Provided that we are unable to comply with binding delivery periods for reasons for which we are not to blame, (Non-availability of performance), we shall inform the Client of this straight away and at the same time notify him of a probable new delivery period. If the performance not available within the new delivery period either, we shall be entitled to withdraw from some of or all of the contract. We shall refund a counter-performance already rendered to us by the Client straight away. For these purposes if we are not supplied on time by our sub-supplier in particular, this shall be regarded as an instance of non-availability of a performance, provided that we have entered into a congruent covering transaction and neither we nor our supplier is to blame. The same shall apply mutatis mutandis if we are not obliged in a given case to procure things.

4. Default in delivery shall be determined in accordance with the statutory regulations. In all cases the Client will however, have to send us a written reminder.

5. If we find ourselves in default with supplying our goods or services or if it becomes impossible, regardless of whatever reason, for us to supply goods and services, the liability on our side shall consequently be limited to paying compensation for damages in accordance with Section 9 of these T&Cs. Our rights when our performance obligation is precluded (e.g. as a result of impossibility or unreasonable to expect us to render performance and/or a cure) shall not be affected as a result.

6. We cannot be held liable for impossibility of delivery or for delays in delivery, insofar as these have been caused by force majeure or other events which could not have been foreseen when the contract was signed. This shall apply, for example, for operational disruptions of all types, difficulties in the procurement of materials or power, transport delays, strikes, lawful lock-outs, labour shortages, power shortages or shortages in raw materials, difficulties in obtaining official consents required, for which we are not to blame. In addition to this, Section 4 Paragraph 3 Sentence 3 shall apply. Provided that such events make it much more difficult for us to supply goods or to render performance, and the hindrance

is not only of a temporary nature, we shall be entitled to withdraw from the contract. If hindrances are of a temporary nature, the periods of time allowed for delivery or performance shall be extended by the duration of the hindrance plus a reasonable period of time to allow for start-up. Insofar as the Client cannot be expected to accept the deliveries or performances as a result of the delay, he may withdraw from the contract by making a written statement to us to that effect straight away.

7. If delivery by call-off has been agreed, all call-offs by our Client are to be made within 12 months from the contract being entered into, unless an agreement has been made otherwise in writing.

### **Section 5 Prices, Terms of Payment, Offsetting, Discrepancies in quantities**

1. The prices shall be determined in accordance with the contractual agreements made with our Client. They shall apply for the scope of delivery and performance stated in the order confirmations. The prices are in Euros, quoted ex works plus the rate of value added tax in force at that time and plus packing. Customs duty and fees and other public duties will be added to export orders. Additional or special performances will be invoiced separately.

Provided that the agreed prices are based upon our list prices, and the goods are only to be delivered four months more than four months after the contract has been signed, our list prices in force when the goods are delivered shall apply (minus any percentage or fixed discount which may have been agreed).

2. For a sale by delivery to a place other than the place of performance (Section 3 Para. 1) the Client shall bear the transport costs ex stores and the costs of any transport insurance requested by the Client. We shall not take back transport packing or any other packing/packaging – in accordance with the German Packing Regulations. With the exception of pallets and lattice boxes and other reusable containers, they shall become the Client's property.

3. The purchase price shall be due for payment and payable in full within 14 days from presentation of invoice and delivery or acceptance of the goods, unless an agreement is made otherwise in writing. For contracts in which the value of goods to be delivered is in excess of 5,000.00 €, we shall, however, be entitled to demand a down payment of 50 % of the purchase price. The down payment shall be due for payment and payable within 14 days from presentation of invoice.

4. The Client shall be in default when the above period of time allowed for payment expires. Default interest is to be paid on the purchase price paid during the period of default at the statutory rate of default interest. We shall reserve the right to assert a claim for damages over and above the default interest above. Our entitlement to commercial interest payable from the due date of payment shall not be affected by the above (Section 353 of the German Commercial Code [HGB]).

5. The Client shall only be entitled to offsetting rights or rights of retention to the extent that his claim has been adjudicated in a court of law or if it is not contested. If there are defects in the goods delivered, the adverse rights of the Client shall not be affected, in particular in accordance with Section 7 Para 5 Sentence 2 of these T&Cs.

6. If, after the contract has been entered into, it becomes apparent that our claim to the purchase price is jeopardised as a result of the Client being unable to render his performance (e.g. as a result of an application being made to open insolvency proceedings), we shall consequently be entitled under the statutory regulations to refuse performance and – if necessary after setting a period of time for the Client to render his performance – to withdraw from the contract (Section 321 of the German Civil Code [BGB]). Contracts for the manufacture of non-fungible things (Special productions) we may withdraw from the contract immediately. The statutory regulations governing the dispensability of having to set a period of time for performance shall not be affected by the above.

7. Samples provided shall generally be invoiced. If a sample is cleared, it will not be defective if goods are supplied in compliance with the sample. If we manufacture to the specifications of samples provided, this shall not mean that we shall furnish a manufacturer's guarantee.

## **Section 6 Reservation of title, Tools**

1. We shall reserve the title to the sold goods until all our current and future accounts from supply contracts and under a continuous business relationship have been paid in full. The goods as well as the goods replacing them covered by the reservation of title in accordance with the terms and conditions below shall be known below as „goods subject to reservation of title“. Our Client shall keep the goods subject to reservation of title in safe-keeping for us free of charge.

2. The goods subject to reservation of title must not be pledged or assigned by bill of sale as a security to third parties before payment for the secured claims has been made in full. Our Client has to inform us straight away in writing

if, and insofar as, third parties have seized the goods subject to reservation of title, to enable us to enforce our ownership rights. Provided that the third party should not be in a position to reimburse us for the costs incurred by us in or out of court in connection with enforcing our ownership rights, our Client shall be liable to us for them.

3. If the conduct of our Client is in breach of contract, in particular if he fails to pay the purchase price payable, we shall be entitled to withdraw from the contract in accordance with the statutory regulations and/or to demand the return of the goods subject to reservation of title. The demand for the return of the goods shall not at the same time constitute the declaration that we are withdrawing from the contract. We shall, instead, be entitled to only demand the return of the goods and to reserve the right of withdrawal from the contract. If our Client does not pay the purchase price payable, we may only assert these rights if we have set our Client a reasonable period of time beforehand to pay the purchase price and he has not done so or if we do not have to set such a period of time for payment by law.

4. Our Client shall be entitled to process and sell the goods subject to reservation of title in a proper commercial transaction. Resale is not allowed if our Client is in arrears with making his payments to us or if an application for insolvency proceedings has been opened on his firm, such insolvency proceedings have been opened or if an application for such insolvency proceedings to be opened was rejected on account of insufficient assets as well as in cases in which the Client stops trading or stops making his payments. In each case we shall then be entitled to object to the resale of the goods subject to reservation of title for an important reason.

5. If the goods subject to reservation of title are processed by our Client, they shall consequently be processed for our account and in our name as manufacturer. We shall acquire direct ownership of them or – if they are processed out of materials supplied by more than one owner, or if the value of the processed materials is higher than the value of the goods subject to reservation of title – co-ownership (fractional ownership) of the newly created thing in proportion to the value of the goods subject to the reservation of title to the value of the newly created thing. In the event that we should not acquire such ownership, our Client shall assign to us here and now his future title or – as described above – co-ownership in the newly created thing as a security. If the goods subject to the reservation of title are connected or indivisibly mixed with other things to become jointly-owned property, and if one of the other things is to be regarded

as the main thing, the Client shall, insofar as the main thing belongs to him, assign to us a proportion of the co-ownership in the jointly-owned property in the ratio named in Sentence 2 above.

6. In the event that the goods subject to reservation of title are resold, our Client shall assign the account materialising against the buyer as a result to us here and now as a security – and in the event that we have co-ownership of the goods subject to reservation of title he shall assign a proportion of the account reflecting the proportion of our co-ownership –. We accept the assignment. The same shall apply for other accounts replacing the goods subject to reservation of title or materialise otherwise with regard to the goods subject to reservation of title, such as, for example, insurance claims or claims based on an unlawful act in the event of loss or destruction.

7. We shall authorise our Client on a revocable basis to collect in his own name the accounts assigned to us, for as long as he is not in default with his payments to us, an application has not been made to open insolvency proceedings on his assets, no insolvency proceedings have been opened, or insolvency proceedings have been rejected on account of insufficient assets and our Client has not stopped trading or making payments. In each set of circumstances above we shall be entitled to revoke the authorisation given by us to the Client to collect accounts.

8. We shall undertake not to collect an account for as long as the Client fulfils his payment obligations to us, does not fall into arrears with his payments, an application has not been made to open insolvency proceedings on his assets, no insolvency proceedings have been opened, or insolvency proceedings have been rejected on account of insufficient assets and there is no other defect in his performance. If, however, this is the case, we may consequently demand that our Client informs us of the assigned accounts and the identity of the debtors and passes over all the information required by us to collect said accounts.

9. If the marketable value of the securities exceeds our accounts by more than 10 % we shall, as the request of our Client, release them as we choose.

10. Even in the event that the full-cost pricing method is applied, tools shall not become the property of the Client – unless an agreement is made otherwise –. They shall remain our property.

## Section 7 The Clients warranty claims

1. Provided that nothing is specified otherwise below, the statutory regulations shall apply for the Client's rights in the event of quality defects or legal defects (including the wrong goods or quantity shortfalls being supplied as well as incorrect assembly or incorrect assembly instructions. In all cases the special statutory regulations governing the final delivery of the goods to a consumer shall apply (Entrepreneur's right of recourse Sections 478 and 479 of the German Civil Code [BGB]).

2. Our liability for defects shall above all be based upon the agreement made governing the condition of the goods and/or performance service. Insofar as the condition was not agreed, assessment is to be made on the basis of the statutory regulations, as to whether a defect is extant or not (Section 434 Para 1 P 2 and 3 of the German Civil Code [BGB]). All product descriptions constituting the subject-matter of the individual contract shall be regarded as the agreement on the condition of the goods. It shall not make any difference here as to whether the product description comes from us, from the manufacturer or from our Client. We shall not accept any liability for public statements made by the manufacturer or other third parties (e.g. advertising messages).

3. The Client's warranty claims shall be subject to the fulfilment by him of his statutory obligation of inspection and notification (Sections 377 and 381 of the German Commercial Code [HGB]). That means that the goods supplied are to be inspected carefully straight away after they have been handed over to the Client or to third parties instructed to do so by him. If during the inspection or subsequently a defect becomes apparent, we are to be notified of this straight away in writing. Notification will be regarded as having been made straight away if it is made within 7 working days, whereby the period of time allowed for notification will be satisfied if notification has been sent on time. Irrespective of this obligation of inspection and notification the Client shall have to notify us in writing of manifest defects (Including the delivery of incorrect goods or shortfalls in quantity) within 7 working days from delivery, whereby the period of time allowed for notification will be satisfied if notification has been sent on time. If the Client fails to carry out the inspection properly, and/or notify us of a defect, we cannot be held liable for defects of which we have not been notified.



4. If the thing supplied is defective, we may first of all decide whether to effect a cure by remedying the defect (repair) or by supplying a fault-free thing (replacement). Our right to refuse to effect a cure in accordance with the statutory regulations shall not be affected by the above.

5. We shall be entitled to make the cure owed dependent upon the Client having paid the purchase price due. The Client shall however, be entitled to retain a reasonable part of the purchase price in proportion to the defect.

6. The Client shall have to allow us the necessary time and opportunity to carry out the cure owed, in particular the rejected goods must be handed over for the purpose of inspection and/or if necessary for a cure at the place of fulfilment. In the event that a replacement is supplied, the Client shall have to provide the defective thing at the place of fulfilment carriage free. If the notified defect is justified, we shall remunerate the Client the costs of the cheapest despatch route. This shall not apply if the costs have been increased because they are located at another place other than the place of fulfilment. If, however, it turns out that the Client's request for a defect to be rectified is unjustified, we may demand that the costs incurred by us for this are reimbursed by the Client, unless the Client was unable to identify that the goods were not defective.

Only in urgent cases, e.g. if operational safety is at risk or to avert disproportionate damages shall the Client be entitled to rectify the defect himself and to demand that we reimburse him the expenses incurred by him which are necessary from an objective view. We are to be informed straight away if the Client intends to carry out a repair himself, and beforehand if possible. The Client shall not be entitled to carry out a repair himself if we would have been entitled to effect a corresponding cure in accordance with the statutory regulations.

7. The cure shall not include the removal of the defective thing or reinstalling it again if we were not originally obliged to install it.

8. If the cure is unsuccessful or if a reasonable period of time to be set by the Client for the cure to be carried out has elapsed without a cure having been effected, or if such a period of time does not have to be set under the statutory regulations, the Client may withdraw from the contract or reduce the purchase price. The Client shall not, however, be entitled to withdraw from the contract on account of a minor defect.

9. The Client's claims for compensation for damages or the reimbursement of expenditure he has incurred in vain shall only exist subject to the proviso of Section 9 and shall not otherwise be recognised.

10. When selling used movables, no rights on account of defects and all compensation claims for damages shall be recognised. The above regulations on the exclusion of compensation claims for damages for used things shall not apply for damages arising from death, personal injury or physical harm, if we are to blame for our obligations being breached and not for other damages attributable to intentional or grossly negligent breach of duty by us. Breaches of duty by our legal representatives or assistants shall be regarded as the equivalent of breaches committed by us. Claims asserted under the German Product Liability Act as well as if a product guarantee is furnished by us or if we accept the procurement risk shall not be affected by the above.

11. If products manufactured by other manufacturers (e.g. individual components, components of sub-assemblies) are defective and we are unable to remedy them for reasons attributable to licence law or actual reasons, we shall, as we choose, assert our warranty claims against the manufacturer and/or supplier on behalf of our Client or assign our claims to him. Warranty claims asserted against us shall only exist for such defects subject to other preconditions and in accordance with these T&Cs, if enforcement of the above-named claims against the manufacturer and supplier were unsuccessful in court or for example there is no prospect of success as a result of them being insolvent. During the legal dispute the period of limitation of the respective warranty claim of our Client towards us shall be suspended.

12. The warranty shall not be valid if the Client modifies the item supplied without our consent or allows it to be modified by third parties and as a result of this it becomes impossible or unreasonably more difficult to rectify the defect as a result thereof. In all cases our Client shall have to bear the additional costs of having the defect rectified as a result of the modification.

## **Section 8 Proprietary rights – Copyrights etc.**

1. We shall reserve the title right and/or copyright to all the offers and cost estimates submitted by us as well as to those documents which we provide to our Client, such as, for example, drawings, diagrams, calculations, catalogues, models, tools and other documents and tools. The Client must not allow third parties access to such items or documents without our express consent either as such or their contents and he must not divulge them, use them himself or through third parties or reproduce them. Our Client must return them in full to us upon our request and destroy any copies of them there may be, if they are no longer required in a proper commercial transaction or

if negotiations do not result in a contract being entered into. The above shall not apply for the storage of data provided electronically for the purposes of normal data back-up.

2. Each Party to the contract shall notify the other straight away, if claims are asserted against him on account of a breach of third party industrial proprietary rights or copyrights.

3. In cases in which the supplied item is in breach of a third party industrial proprietary right or copyright, we shall, as we choose, and at our expense, modify or replace the item supplied in such a way so that no third party rights are breached any longer, but the supplied item continued to fulfil the contractually agreed function or procure the right of use for our Client by entering into a licence agreement. If we are unable to do this within a reasonable period of time, our Client shall be entitled to withdraw from the contract or to reduce the purchase price as appropriate. Any compensation claims for damages our Client may have shall be subject to the restrictions in the following arrangements in Section 9.

4. If we manufacture to the instructions of our Client, or if we render services to his specifications, the Client shall be obliged to exempt us from any third party claims which may be asserted against us on account of breaches of proprietary rights / copyrights and such like.

### **Section 9 Compensation for damages, other liability**

1. Insofar as there is nothing stated otherwise in these T&Cs including the following provisions, we shall be liable for in the event of a breach of contractual and non-contractual obligations in accordance with the relevant statutory regulations.

2. We shall be liable for compensation for damages – regardless of whatever legal reason upon which they are based – in line with the liability for fault if in cases of intent and gross negligence. In cases of ordinary negligence we shall be liable subject to a more lenient scope of liability in accordance with statutory regulations (e.g. for care in one's own matters) only

a) for damages arising from death, personal injury or physical harm,

b) for damages arising from a breach of an important contractual duty (that means an obligation the fulfilment of which makes it possible to carry out the contract properly in the first place and upon compliance with which the other Party to the contract normally relies and may rely). In this case our liability shall however be limited to the reimbursement of foreseeable damages typically occurring.

3. The limitations of liability arising in Paragraph 2 above shall not apply, insofar as we have maliciously concealed a defect or if we have furnished a guarantee for the condition of the goods. The same shall apply for the Client's claims under the German Product Liability Act and in the event of fraudulent intent on our part.

4. The Client may only withdraw from the contract or serve notice of termination on account of a breach of duty not consisting of a defect, if we are to blame for the breach of duty. The Client shall not be entitled to an unrestricted right of termination (in particular in accordance with Sections 651 and 649 of the German Civil Code [BGB]). Moreover, the statutory preconditions and legal consequences shall apply.

5. The above exclusions of liability shall apply to the same extent for our executive bodies, legal representatives, salaried staff and other assistants.

6. Insofar as our colleagues pass over technical information or act in an advisory capacity, and this information or advice is not included in the contractually agreed scope of performance owed by us, this shall be done on a cost-free basis with no liability.

### **Section 10 Period of limitation**

1. Notwithstanding Section 438 Para 1 No 3 of the German Civil Code [BGB], the general period of limitation for claims based upon quality defects and legal defects shall be one year from delivery. Insofar as acceptance test has been agreed, the period of limitation shall begin when acceptance has been granted.

2. If the goods are, however, a structure or a thing which has been used in accordance with its normal method of use for a structure and has caused it to be defective (Building material), the period of limitation in accordance with the statutory regulation shall be 5 years from delivery (Section 438 Para 1 No 2 of the German Civil Code [BGB]). Statutory special arrangements for real third party claims to surrender (Section 438 Para 1 No 1 of the German Civil Code [BGB]), shall not be affected in the event of fraudulent intent on the part of the Client (Section 438 Para 3 of the German Civil Code [BGB]) and for claims when the entrepreneur has recourse against suppliers for final delivery to a consumer (Section 479 of the German Civil Code [BGB]).

3. The above period of limitation of the law on sales shall also apply for the Client's contractual and non-contractual compensation claims for damages based upon defective goods, unless the application of the normal statutory period of limitation (Sections 195 and 199 of the German Civil Code [BGB]) would in a given instance result in a shorter period of limitation. The Client's compensation claims for damages in accordance with Section 9 Para 2 P 1 and P 2 a) as well as under the German Product Liability Act shall, however, only become time-barred in accordance with the statutory period of limitation regulations.

### **Section 11 Choice of law and Place of jurisdiction etc.**

1. These T&Cs and all legal relationships between us and the Client shall be governed by the law of the Federal Republic of Germany. However, uniform international law and in particular, the UN law on sales [CISG] shall not apply. Pre-conditions and effects of the reservation of title in accordance with Section 6 shall be governed by the law of the respective storage place, insofar as accordingly the choice of law made favouring German law is not allowed or invalid.

2. The contractual language is English.

3. If the Client is a registered trader within the meaning of the German Commercial Code, a legal entity in accordance with public law or a public-law special fund, the sole place of jurisdiction – for transactions of an international nature as well – for all disputes arising directly or indirectly from the contractual relationship shall be the courts having jurisdiction where our Company is based. We shall, however, also be entitled to sue the Client at his general place of jurisdiction.

4. Insofar as the contract or these T&Cs contain gaps, those legally valid regulations which the Parties to the contract would have agreed given the set economic objectives of the contract and the objective of these T&Cs, had they known about the gaps in the contract shall be regarded as having been agreed to fill those gaps.

Note: the Client takes note that we shall save data from the contractual relationship in accordance with Section 28 of the German Federal Data Act (BDSG) for the purposes of processing data and we shall reserve the right to forward the data to third parties, provided that this is necessary to fulfil the contract.