

German Pneumatics Engineering GmbH - General sales and delivery conditions

date: 18.02.2021

1. Scope of application

1.1 We, the German Pneumatics Engineering GmbH, hereinafter referred to as "GPE", sell and deliver exclusively based on these general sales and delivery conditions. Any other or deviating terms and conditions of the buyer shall not apply unless we have expressly accepted them in writing. The sale and delivery of goods or services does not constitute acceptance or acknowledgement of the buyer's terms and conditions. Additional or conflicting conditions in the buyer's request for quotation, specifications, order or other written or oral communications from the buyer are not binding on GPE. Failure to contradict the Buyer's additional or conflicting terms shall not constitute a waiver of any of the terms contained in these general sales and delivery conditions.

2. Prices and payment

2.1 Prices and terms of payment are as stated in the written GPE quotations. Our quotations are non-binding.

2.2 Unless otherwise stated in the quotation of GPE, all payments are due twenty-one (21) days from the consignment note (for freight of goods) or invoice date (for Incoterms 2010 EXW and services) net in Euro.

2.3 All orders are subject to credit approval by GPE. GPE may change, suspend or withdraw the credit amount or the terms of payment at any time. If there are doubts about the financial situation of the buyer, GPE may withhold production or delivery, demand cash payments or other satisfactory securities. GPE may reclaim delivered products from the carrier until such assurances are given.

2.4 Late payments are subject to interest charge at an annual rate of twelve percent (12%) or the highest rate permitted by law, whichever is lower.

3. Buyer's obligations

3.1 The performance of GPE is dependent on the timely fulfilment of the buyer's obligations (refer to purchase contract). These obligations include, among other things, the submittal of all documents and approvals required for fulfilment.

3.2 GPE can demand an adjustment of the contract if additional costs are incurred due to non-fulfilment of the buyer's obligations, if supply chains must be changed or if prices cannot be maintained.

3.3 If the buyer disputes an invoice in whole or in part, he must first inform GPE in writing within twenty-one (21) days of receipt of the invoice of the disputed amount and the basis of the dispute. If the buyer fails to notify GPE of a dispute in time, this shall be deemed a waiver of the

buyer's claim. If the Buyer disputes only part of the invoice, he must pay the undisputed part in accordance with Article 2.2. After settlement of the dispute, the buyer must pay the invoice or the remainder of the invoice plus all accrued interest on the late payment.

3.4 GPE may suspend work if an undisputed invoice is more than thirty (30) days overdue. GPE may terminate this contract if an undisputed invoice is more than sixty (60) days overdue. Unless prohibited by law, a contract may also be terminated with immediate effect in the event of a significant adverse change in the financial position of the buyer, including, but not limited to, bankruptcy, insolvency, liquidation or similar financial conditions.

4. Changes in the scope of work or modification of terms

4.1 Agreed scope or terms can be amended only by a written agreement signed by authorized representatives of both Parties.

4.2 There will be no change in the scope of work unless the buyer and GPE agree in writing to the change and the resulting price, schedule or other contractual changes. If a change in a law, regulation, rule, ordinance, order, code, standard or requirement affects the obligations of GPE or the performance under this contract, GPE can request a change order with an appropriate adjustment of the price and performance time.

5. Delivery, Export/Import, Ownership and Loss

5.1 The buyer acknowledges that GPE is obliged to comply with the applicable export/import laws and regulations regarding the sale, export, import, transfer, assignment, disposal and use of the products, including all export/import license requirements.

5.2 The existence of GPE depends on constant compliance with export/import laws and regulations.

5.3 The products are delivered EXW (Ex Works) GPE, whereby the ownership and the risk of loss or damage is transferred to the buyer at that time. The buyer is responsible for all transport, insurance and related costs, unless other conditions (Incoterms 2010) have been signed in writing by GPE in the contract. The associated costs include any taxes, customs duties or documentation fees. GPE may carry out partial deliveries.

5.4 Unless specified in writing by GPE, the quoted prices exclude charges for freight, unloading, storage, insurance, taxes, duties, levies, fees for the import and export of goods, excise taxes, fees, customs duties or other government charges in connection with the products. The buyer must pay these amounts or reimburse GPE. If the buyer requests a tax or other exemption or direct payment permit, the buyer will provide a valid exemption

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certificate or permit and will indemnify, defend and hold harmless GPE from all taxes, costs and penalties arising therefrom. The prices of GPE only include the costs of domestic standard packaging. Any deviation in packaging will be charged to the buyer. Increases, changes (also in application), adjustments or surcharges that may occur are at the expense of the buyer.

5.5 All shipping and delivery data are only estimated data. GPE is not liable for losses or costs incurred by the buyer or the buyer's buyers if it fails to meet the delivery date.

5.6 When the products are ready for shipment, GPE will inform the buyer, and the buyer will then immediately issue shipping instructions; determine the transport method and the dispatch route.

5.7 If the buyer does not provide shipping instructions in time, GPE will store the products at the buyer's expense until shipping is arranged.

5.8 If the products are stored, delivery will be made to the warehouse and the risk of loss will pass to the buyer, unless otherwise agreed in writing with GPE. The buyer will pay all storage costs of GPE, including but not limited to preparation and storage, handling, freight, inspection, conservation, maintenance, taxes and insurance, upon receipt of the invoice(s) from GPE. GPE makes the products available for dispatch after storage EXW (Ex Works). The buyer must arrange to collect the products from the warehouse at his expense. The buyer bears the risk of loss, damage or destruction of the stored products.

5.9 The buyer has no right to postpone the delivery. Written agreements can be made with the management of GPE on how to proceed in individual cases.

6. Product returns and cancellations

6.1 Before returning a product to GPE, the buyer must identify the product or part of the product and obtain written approval and shipping instructions from GPE. GPE has the right, at its own discretion, to allow or deny such a return. GPE reserves the right to reject hazardous substances.

6.2 The approval of GPE to return a product to GPE does not release the buyer from his obligation to pay for this product.

6.3 A contract can be terminated in writing with thirty (30) days' notice if GPE has not yet performed anything. If the Buyer cancels a contract, the Buyer shall pay all cancellation charges, including but not limited to

6.4 the full price for each finished product;

6.5 for a partially completed product, that part of the price payable to GPE based on its degree of completion of the product;

6.6 reasonable overheads and profits; and

6.7 all payments due to subcontractors and/or suppliers for materials, components or products ordered that cannot be cancelled, refunded or diverted for other beneficial purposes.

7. Warranty

7.1 GPE warrants that each product is free from material and processing defects; each product essentially corresponds to the specifications of GPE, which are attached to or expressly included in the contract; and at the time of delivery the ownership of each product is free and unencumbered by liens and encumbrances.

7.2 GPE warrants the use of suitable materials and professional design and processing by eliminating all defects in the delivery items for which it is responsible by repairing or supplying new parts free of charge to the buyer.

7.3 The Buyer must provide immediate written notification, as soon as defect occurs, of any warranty claim within the warranty period as per 7.7. As per mutual agreement in between buyer and GPE either the product or the non-confirming parts thereof will be send to GPE's workshop at the buyers cost or GPE will be granted reasonable access to the products in order to assess the warranty claim.

7.4 The warrantees are subject to the following conditions: no repairs, modifications or alterations have been carried out that have not been approved by GPE; The Buyer shall comply with the instructions in the attached specifications when handling, using, storing, installing, operating and maintaining the Product; Compliance according to all generally accepted industry standards; The buyer stops using the product as soon as he has or should have had knowledge of a defect. The product has not been subjected to any accident (including force majeure), modification, abuse or misuse; and the buyer was/is not in default with a payment obligation.

7.5 If products have been delivered in consignments or only part of a consignment and do not comply with the agreement, the buyer can only reject the non-compliant part. The buyer must pay separately for each shipment. If GPE holds or stores products for the buyer, this is done at the buyer's sole risk and expense.

7.6 The warrantees do not apply to products that are not provided by GPE under this contract. Any product described as a test, development, prototype or pilot product is expressly excluded from warranties. Normal wear and tear are excluded, including all consumables that are part of the product (such as fuses, seals and

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filters). GPE does not warrant that a product is to be safe from cyber-threats, hacking or similar malicious activities. Products that are networked, connected to the Internet or otherwise connected to computers or other devices must be adequately protected from unauthorized access by the buyer and/or end user.

7.7 The warranty period in respect to the main supply shall be 12 months counted from the date of provisional acceptance (or delivery respectively). In any case the liability for defects shall end not later than 18 months after readiness for dispatch (if the beginning of the warranty period is delayed for reasons beyond GPE's reasonable control). The warranty period for repaired or replaced parts within the main supply shall be 12 months after their delivery and runs at least until the termination of the original warranty term, but ends at latest 30 months after delivery or notification of readiness for dispatch of the main supply.

7.8 Unless GPE agrees otherwise in writing, the buyer shall bear all associated costs: Establishing access to the product; removal, disassembly, replacement, installation or reinstallation of devices, materials or structures that enable GPE to fulfil its warranty obligations; transport of the products concerned to and from the workshop of GPE; damage to components or parts of equipment which is due in whole or in part to the buyer's failure to comply with Article 7.4 or from their deteriorated condition. All products replaced under this warranty will become the property of GPE.

7.9 The warranties in this article are the sole and exclusive warranties of GPE and are subject to the limitations of liability. GPE makes no other warranties.

7.10 It is the mutual understanding of GPE and the buyer, that any guarantees and warranties, guarantees properties and any performance description cannot be interpreted as a guarantee / warranty in the sense of §§ 443, 444 and 639 BGB (German Civil Code).

8. Indemnity

8.1 GPE and the buyer (each as "indemnifying party") shall indemnify the other ("indemnified party") against and against all claims of third parties for personal injury, death or damage to the material property of a third party, but only if such claims are based on negligent acts or omissions of the injuring party. If the injury or damage was caused by contributory negligence, the loss and/or costs shall be borne by each party in proportion to its degree of fault.

8.2 The party entitled to compensation shall immediately inform the party liable for compensation in writing of all third-party claims covered by this Article. The indemnifying party has the unlimited right to select and

engage legal counsel. The indemnified party shall not make any admission(s) which might be prejudicial to the indemnifying party and shall not enter a settlement without the express permission of the indemnifying party.

8.3 If a firmly agreed delivery date is exceeded through GPE's fault, GPE will pay liquidated damages (LDs) of 0,5% of the Contract Price per full week of delay, however not exceeding 2,5% of the Contract Price. The buyer shall have no further rights out of whatever reason or right for any claims due to GPE's delay.

9. Limitation of liability

9.1 Notwithstanding anything to the contrary in this agreement, GPE is not liable, whether in contract, warranty or tort (including negligence) for: loss of use, loss of production, income, savings, profit, interest, goodwill or occasional losses, cost of capital, cost of replacement or substitute use or performance, loss of information and data, claims by third parties of the buyer or for any type of indirect, special, liquidated, punitive, exemplary securities, incidental or consequential damages or for other losses or costs of a similar nature or any kind.

9.2 GPE, his employees, servants and subcontractors are solely liable for culpably caused damage to persons and physical property. The liability of GPE and his employees, servants and subcontractors for damage to Owner's property shall be limited to 250.000 EUR for any one occurrence and 500.000 EUR in the aggregate. In no case the total liability of the supplier and his employees, servants and subcontractors out of the contract or by law shall, irrespective of the legal grounds, be more than the contract Price or maximum 500.000 EUR whichever is lower.

9.3 The total liability of GPE is limited to the contract price or maximum 500.000 EUR whichever is lower, whereby the liability for damages caused by delay is limited to 0.5% per completed week of delay, max. 2.5% of the order value of the subject matter of the contract, excluding further claims for damages due to delay.

9.4 The Buyer agrees that the exclusions and limitations in this article take precedence over conflicting terms and conditions. These limitations of liability are effective even if GPE has been advised by the buyer of the possibility of such damage.

10. Force majeure / delays

10.1 If the performance of the contractual obligations (other than the payment obligations of the Buyer) is prevented by force majeure, any act/omission of government, war, hostilities, labour disputes, on the premises of a party to the contract or elsewhere, the failure or delay of a subcontractor, embargo, fire,

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explosion, accident or breakdown of essential machinery prevents, restricts or delays a delay of a subcontractor (without such delay being caused by GPE) or for reasons beyond the control of the affected party, that party shall be released from the contractual performance in respect of such prevention, restriction or delay and shall not be liable for the performance of the contract. The party claiming relief as a result of any of the aforementioned circumstances shall notify the other party immediately in writing of the event that has occurred and its end. In the unexpected event of quarantine for GPE personnel, GPE and the buyer shall mutually agree on the daily rate to be paid by the buyer. If the performance of the contract is delayed for more than four months for a reason mentioned in the above section and the parties have not agreed on a new basis for continuing the work at the end of the delay, both parties may, after this period and if the cause of non-performance continues to exist, terminate the contract by giving at least 30 days' written notice to the other party, in which case the provisions of the listed articles of termination shall apply.

11. Nuclear Power

11.1 The products may not be used in or in connection with a nuclear facility or application without the express written permission of GPE.

11.2 If the buyer uses a product in connection with a nuclear installation or activity, he does so at his own risk. The buyer will indemnify, defend and hold harmless GPE and will require his insurers to waive all recourse claims against GPE for damage, loss, destruction, injury or death resulting from a "nuclear incident" within the meaning of the Atomic Energy Act of 1954, as amended, whether or not they are due to negligence on the part of GPE.

12. Assignment

12.1 Neither Party may assign this Agreement or any of its rights or obligations under this Agreement in whole or in part without the prior written consent of the other Party.

12.2 Either party may assign its rights and obligations without objection or consent to a parent company, a wholly owned subsidiary or to the successor organisation of a subsidiary or affiliated company (whether as a result of a reorganisation, restructuring or sale of all assets of a party).

12.3 However, the buyer will not assign this contract to: a competitor of GPE, a company in litigation with GPE or a company that does not have the financial means to fulfil the buyer's obligations. Each assignee expressly undertakes to fulfil the obligations transferred. GPE may have a security interest in this contract without the consent of the buyer and/or demand proceeds from this contract.

13. Compliance with laws

13.1 This Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Germany.

13.2 The buyer and GPE agree to comply with all applicable laws and regulations, including but not limited to those relating to the manufacture, purchase, resale, export, transfer, assignment or use of the Products.

13.3 Both GPE and the buyer knowingly, voluntarily and irrevocably waive all rights to a jury trial in any action or proceeding in any way related to this agreement.

13.4 Each party agrees that claims and disputes arising out of or relating to this contract shall be decided exclusively by a competent federal or state court in a state where either the buyer or GPE has its principal place of business. Each party submits to the personal jurisdiction of these courts to hear claims or disputes.

14. Confidentiality

14.1 All information received from the disclosing Party and all information provided by the disclosing Party to the receiving Party under this Agreement shall remain confidential. This includes but is not limited to the following information: Business information, flowcharts, manufacturing information, technical data, drawings, program listings, software codes and other software, plans and projections. Neither buyer or GPE may disclose or refer to the work to be performed under the Agreement in a manner that would identify the other Party without the other Party's prior written consent. However, GPE has the right to pass on confidential information to its sub-contractors, provided that these recipients are subject to the same confidentiality obligations as defined here.

14.2 Nothing in this Agreement shall require a Party to treat as confidential information which are general or known to the public through no fault of the receiving party; be disclosed to the receiving party without an obligation of confidentiality by a third party who has the right to make such disclosure; were previously known to the receiving Party without any obligation of confidentiality, as evidenced by documents in the possession of the receiving Party at the time of signature of this Agreement; have been developed independently of the receiving party or its representatives, as evidenced by written records, without the use of the disclosing party's confidential information; must be disclosed by law, in which case the Party of origin must be informed immediately before the disclosure is made.

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15. Severability clause

15.1 If any provision of this agreement is held invalid, illegal or unenforceable, the remaining provisions shall not be affected or impaired in any way.

15.2 A court may modify the invalid, illegal or unenforceable provision to reflect as closely as possible the parties' original intent.