

## GENERAL TERMS OF BUSINESS

of Puffe Engineering GmbH, 53757 Sankt Augustin

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### 1. General

- 1.1 Our total current and future business relationship shall be regulated exclusively on the basis of the following General Terms of Business, even if we no longer refer to these Terms.
- 1.2 Any deviating terms of business of the customer shall not be recognised, even tacitly or by conclusive behaviour on our part.

### 2. Offer and acceptance of order

- 2.1 Our offers are not binding. Contractual agreements shall be binding only when we have issued our confirmation of order or through execution of the order.
- 2.2 Our customer is bound by his declaration for one month from the date it is served.
- 2.3 Any amendments, supplements or ancillary agreements shall require our written confirmation.
- 2.4 Our product description represents the exclusive agreed composition and characteristics of the article of sale. No public statements by us or by any third party shall constitute a contractual undertaking.

### 3. Prices

- 3.1 The prices in our currently valid price list shall apply net ex Sankt Augustin plus Value Added Tax.
- 3.2 An additional small-order fee of €25 shall be charged for orders up to €100.

### 4. Payment and payment delay

- 4.1 The purchase price is due for payment within 30 days of the invoice being received without discount and exempt from charges. The customer shall be in default when this period has expired and the article of sale has been delivered or handed over.  
Default interest shall be charged at a rate of 8 % above the basic interest rate per annum of the European Central Bank. This regulation shall not prejudice any further claims due to default.
- 4.2 In the case of deliveries with value over €20,000, 50% of the order value shall be paid in advance on receipt of the confirmation of order, 40% on notification of readiness for shipment, 10% on start-up, net within 30 days of the invoice date at the latest.
- 4.3 If the customer's asset or financial situation deteriorates significantly (e.g. protest of a bill or cheque and compulsory enforcement by a third party), any invoices amounts not yet due shall become payable immediately.  
Any further execution of orders or deliveries shall be only against payment of the total (outstanding) price.
- 4.4 If the customer is granted the right to pay in instalments, any rights of retention or reduction are to be claimed against the final instalment.
- 4.5 Counterclaims may be set off against our claims only when they have been established in law or recognised by us.

### 5. Delivery dates, delivery periods, acceptance

- 5.1 The delivery period commences when confirmation of order is sent, but not before the necessary documents have been provided by the customer and not before the agreed payment has been received.
- 5.2 The delivery period shall be considered fulfilled when the goods are dispatched or the customer notified of readiness for shipment before the period expires.
- 5.3 Cases of force majeure, including delayed deliveries by our suppliers shall delay the term of delivery accordingly.  
We shall in such cases, and on expiry of any subsequent period for fulfilment that has been agreed, be entitled to withdraw from the contract with cancellation of any mutual claims.
- 5.4 We shall be in default only after a written warning has been served and a suitable subsequent period for fulfilment of at least one month has expired, unless execution of the order subsequently becomes impossible.
- 5.5 If the customer is in default of acceptance, we shall be entitled to withdraw from the contract without prejudice to any further rights.
- 5.6 Use of our deliveries and services shall be considered acceptance by the customer.

### 6. Shipping and transfer of risk

Risk shall be transferred to the customer when notification of readiness for shipment has been delivered, but at the latest when the goods are lifted from our dispatch ramp.

## **7. Retention of title**

- 7.1 We reserve simple and extended retention of title to our articles of sale until all our claims and contingent liabilities have been settled.
- 7.2 If payment is rendered on the basis of direct debit authorisation, our retention of title shall expire only with the end of the time limit for countermanding the debit order or with definite debit of the debtor account.
- 7.3 Any reworking or further processing of the goods subject to our reservation of title shall be considered done in our name, without us incurring any obligations in this regard. If the reserved goods are combined with some third-party property, we shall obtain joint ownership of the new object in relation to the value of our part therein.  
The customer shall store our property on our behalf. We are a manufacturer in the sense of section 950 BGB (German Civil Code).
- 7.4 Further sale of our reserved goods is permitted only as part of agreed business dealings; our property must not be pledged or provided as security. The customer shall be authorised to resell our property only if the customer's claim for payment against his customer is not transferred to a third party (e.g. factoring bank or global cession) and if the customer is punctual in meeting his payment obligations from commercial dealings with us.
- 7.5 The customer hereby cedes to us his claims arising from the sale of the reserved goods against his customers with all ancillary rights to the amount of our claim for purchase price. We accept this transfer of claims.
- 7.6 Our customer is authorised to collect by way of trustee the claims due to us on the basis of extended retention of title. This authorisation shall no longer apply when the customer is in default of payment.
- 7.7 If the value of the securities exceeds the amount of our claims by more than 20 %, we shall be obliged when requested by the customer to release an appropriate amount of security, which shall be chosen at our discretion.

## **8. Warranty, statute of limitations**

- 8.1 Our customer must notify us in writing of any apparent faults within one week of receiving the article of sale; otherwise his warranty claims shall be deemed forfeit.  
The stipulated period shall be fulfilled by punctual dispatch of such notification. Our customer must prove that the conditions for warranty claim do in fact obtain, specifically the fault itself, the time the fault was ascertained and the punctuality of his notification.
- 8.2 We shall be liable for faults in items that we manufactured ourselves as follows: Such parts that are proven to be unusable, or the use of which is significantly restricted, due to some circumstance that was present before risk was transferred to the customer shall be improved or replaced by us at our discretion.
- 8.3 The following shall apply to machines that we deliver:
- 8.3.1 In the case of faults in parts that we manufactured ourselves, the provisions under 8.2 above shall apply.
- 8.3.2 If the fault is in some part that we did not manufacture, our liability is restricted to a transfer of the warranty claims due to us against the suppliers of the relevant machine part. If these claims have elapsed, we shall be obliged, at our own discretion, to improve the part or provide suitable replacement at our cost. There shall be no further liability on our part.
- 8.4 In the case of trading goods we shall be liable only pursuant to section 8.3.2.
- 8.5 If we are unable to provide such subsequent performance or if we have failed to commence such performance despite receiving a written reminder and on expiry of a suitable period of one month or if the subsequent performance fails for the third time, our customer shall be only entitled to demand reduction of the purchase price or to withdraw from the contract at his own discretion.
- 8.6 If the deficiency in title or the quality defect of our article of sale is only minor, our customer shall not be entitled to withdraw from the contract or demand compensation.
- 8.7 We shall not be liable if we, our legal representatives or our vicarious agents are in breach of contractual obligations – including infringements of a significant nature – only to a slight extent, with the exception of cases of injury to life and limb or to the health of a third party.
- 8.8 The warranty claims of the customer shall expire after twelve months or after 2,000 hours of operation depending on which occurs first, unless we can be proven to have been guilty of bad faith in failing to reveal a fault.
- 8.9 If the customer fails to accept or to commission the goods, the liability for defects shall expire at the latest twelve months after delivery or notification of readiness for shipment.
- 8.10 If the customer uses spare parts that are neither original Puffe Engineering parts nor Puffe Engineering trading goods, the customer shall bear the onus of proof that a fault was not caused by the use of such part but, irrespective of this part, was already present at the time the goods were delivered.

**9. Limitation of liability**

- 9.1 The amount of damages is limited to compensation for typical and foreseeable damage. This amounts to a maximum of EUR 2.5 million in cases of injury to persons, a maximum of EUR 0.5 million for each injured person, a maximum of EUR 50,000 in cases of damage to property, a maximum of EUR 7,500 in cases of financial loss and for items located within the danger zone during installation a maximum of EUR 5,000.
- 9.2 Our liability in cases of delay in delivery is limited to a maximum of 0.5 % per week, but in total to a maximum of 5 % of the value of the part of the delivery that cannot be used on time or in accordance with the agreement due to such delay.

**10. Compliance with safety regulations**

- 10.1 The customer shall assign operation of machines and systems delivered by us only to specially trained and informed personnel.
- 10.2 The safety regulations of the material manufacturers of the application products used must be strictly observed.

**11. Software**

The customer is entitled to use any software delivered. Such software shall remain our intellectual property and the customer shall not copy this software or make it available to a third party.

**12. Infringement of protected processes**

We shall bear no liability if the customer violates any industrial property rights relating to manufacturing processes when using our articles of sale.

If legal action is taken against us in this regard by any third party – irrespective of the legal basis –, our customer shall release us from any claims in full and provide to us suitable securities.

**13. Place of performance, legal venue, applicable law**

- 13.1 Place of performance for deliveries and payments is Sankt Augustin.
- 13.2 Legal venue for all active and passive litigation (including actions on cheques and bills of exchange) is exclusively Siegburg. This shall also apply if our customer has no natural forum in the Federal Republic of Germany. Litigations relating to rent and patent rights shall be subject to the statutory regulations on jurisdiction.
- 13.3 The law of the Federal Republic of Germany shall apply exclusively. The UN Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

**14. Concluding provisions**

If any provision of these General Terms of Business or of any separate agreement is or becomes void or ineffective in law, it shall be replaced by the regulation that the parties would have chosen had they been aware of the invalidity of the chosen provision in order to achieve the commercial effect of their agreement. The validity of the remaining provisions shall not be affected.

This shall also apply accordingly if any gap in the provisions emerges.