

General Sales Terms and Conditions of Hermith GmbH

§1

General, Scope of application

1. Our current and future offers, deliveries and services, rendered to the customers are exclusively subject to these General Terms and Conditions. These Terms and Conditions are a substantial part of all contractual offers and sales and shall apply exclusively to this, given that no superseding regulations are in place, that are in contradiction to any points stated in this document. Any terms and conditions of the Customer that are in conflict with or deviate from these Terms and Conditions shall not be recognised by Hermith GmbH, even if the delivery or service is performed by Hermith GmbH without special reservation in knowledge of these terms and conditions of the Customer. These regulations only apply for dealings with companies defined by § 310 subsection 1 BGB (German Civil Code).

§2

Offer to Contract and Conclusion of Contract

1. Our offers are subject to change and non-binding, unless we have expressly designated them as binding or the order confirmation states something else. A contractual obligation shall not come into effect until the Customer's order is confirmed in writing or the goods are delivered. If a binding offer is made, Hermith is entitled to revoke the offer up to acceptance by the Customer.
2. Under unforeseeable circumstances Hermith must inform the Customer of its inability to fulfil its contractual obligation to the Customer.
3. We reserve all rights, in particular property rights and copyrights, to the illustrations, drawings, samples, calculations, cost estimates and other documents of a physical or immaterial nature - also in electronic form - belonging to the offer. Such information may not be made available to third parties. Before passing them on to third parties, the Customer requires our express written consent. This applies in particular to written documents as well as to documents drawn up in electronic form that are designated as "confidential". If the Customer receives such information in connection with the contract initiation, he is obliged to return it to us free of charge if the contract does not materialize.

§3

Prices and payment

1. The prices stated in our order confirmation shall be applicable plus the current value added tax. Unless otherwise agreed, all prices shall be taken as under the ex-works delivery conditions, i.e. exclusive of packaging costs, insurance, customs duties transportation costs etc., unless explicitly listed in the offer or are offered separately. The prices are only valid for the one specific order and are not binding for repeat orders.
2. Hermith is entitled to require reasonable partial payments. Furthermore, Hermith is entitled to require an advance payment or a provision of security, if the Customer gets into arrears with payment or if Hermith becomes aware of circumstances which place the creditworthiness of the Customer into question after conclusion of the contract; for example, when payments are still outstanding in connection with previous deliveries.
3. The Customer is automatically in default if the payment is not settled within 30 days after receipt of the invoice, unless explicitly otherwise agreed. An earlier default in accordance with statutory provisions shall remain unaffected. In the case that the agreed payment period has been exceeded, the statutory interest on default shall be charged without further notice. Any assertion of higher damages shall be reserved by Hermith.
4. In the event of any extraordinary, unforeseeable increases in costs, for example due to fluctuations in currency exchange rates, substantial increases in the cost of raw materials, transportation or insurance

costs, Hermith shall be entitled to pass the appropriate price increase on to the Customer. If the price increase exceeds 15% of the original price, then the Customer may reject the price increase. In that case Hermith is entitled to withdraw from the contract.

5. In the event of default in payment, the Customer has default interest in the amount of 9% -points above the respective base rate (§§ 288 Abs. 1, 2, 247 BGB) as well as a flat rate amounting to 40 euros (Section 288 (5) BGB) to be paid. We reserve the right to claim further damage. If the Customer defaults on a payment, all of our other claims against the Customer become due immediately.

§4

Offset and rights of retention

The Customer is only entitled to the right of set-off if the counterclaim is uncontested or determined as final and conclusive. The Customer shall only be entitled to exercise a right of retention, if his counterclaim is based on the same contractual relationship. Due to disputed counterclaims, the Customer is not entitled to a right of retention, unless the delivery is obviously defective. In such a case, the Customer shall only be entitled to withhold payment if the amount withheld is in reasonable proportion to the defects and the expected costs of subsequent performance (in particular, rectification of defects).

§5

Export and Import licenses

1. The goods supplied by Hermith are intended for processing and to remain in the country of delivery that was agreed upon with the Customer. It is recalled that, an export by the Customer may be subject to the foreign trade regulations of the Federal Republic of Germany or of the other country of delivery agreed with the Customer.
2. The Customer has to inform himself about export conditions as well as any restrictions.
3. If at the moment of conclusion of the contract, the Customer already knows that the goods are finally exported to a country that is subject to an export license for this type of goods, the Customer is obliged to inform Hermith.
4. If product manufacturers and / or suppliers of Hermith are subject to an import or export restriction after conclusion of the contract or if such export sanctions are imposed, and Hermith fails to deliver or fails to deliver on time, Hermith reserves the right to defer the delivery deadline or withdraw from the contract. Should a subsequent delivery be unreasonable for the Customer, the Customer is entitled to withdraw from the contract.

§6

Delivery, delivery period and bearing of risks

1. Partial deliveries are permitted, as long as these are reasonable for the Customer.
2. Hermith is not responsible for transportation delays or non-fulfilment not caused by its fault and that Hermith is not responsible for, including, but not limited to government action, lack of raw materials, manufacturing and transportation, fire, flood and accident.

If such events make performance or delivery considerably more difficult or impossible for us and the hindrance is not only of temporary duration, we are entitled to withdraw from the contract.

In the event of hindrances of temporary duration, the terms for delivery and performance shall be extended by the duration of the hindrance, plus a reasonable start-up period.

3. Specified delivery times are valid on condition that Hermith has concluded a congruent coverage transaction with its pre-suppliers/manufactures in good time, with regard to delivery times under the

condition of correct and timely self-supply. Compliance with our delivery and service obligations requires the timely and proper fulfillment of the Customer's obligations to cooperate, in particular the clarification of all technical questions.

4. Should the Customer be unable to take over the goods on time or should the Customer fail to perform other duties arising from the contract, Hermith shall be entitled to claim for compensation of damage incurred, including possible additional expenses. Furthermore, Hermith shall be entitled to set an adequate grace period and - upon fruitless expiration - to charge the Customer a storage fee in the amount of 0.5% of the prices of the respective goods for each month commenced, however, not to exceed a total of 10% of the prices. The contractual parties reserve the right to prove higher or lower storage costs or any other damages. Furthermore, in the event of default on accepting delivery of goods, the risk of accidental loss of or of accidental damage to the goods is transferred to the Customer from the date of an acceptance delay.
5. Insofar as Hermith keeps the goods available at the Customers' notice from the warehouse, the Customer must request the entire delivery from the Hermith warehouse within a maximum period of 3 months as from the delivery to Hermith warehouse, unless otherwise agreed. If the stored goods are not retrieved by the Customer within this period, Hermith shall be entitled to invoice the Customer the costs for storage of the goods. Furthermore, in this case Hermith is entitled to invoice the Customer the costs for the unclaimed goods.
6. The risk of accidental loss or accidental deterioration is transferred to the Customer when the delivery item is handed over to the transporting agent or, if transport is undertaken by Hermith, at the start of loading (commencement of the shipping activity), at the latest however on leaving the factory of the place of performance. This applies regardless of whether shipment is made from the place of performance or regardless of who bears the freight costs.
7. Unless otherwise agreed to in writing, invoice quantities may vary with a tolerance of +/- 10%. In the event of a positive deviation, the Customer shall accept the increased quantity of Items and make an additional payment for the increased within the maximum permitted deviation quantity of the Items supplied. The Amount of payment will be calculated in proportion to the increased quantity based on the prices given in the order confirmation.
8. If the Customer is in default of acceptance or if he violates other obligations to cooperate, we are entitled to demand the damage we incur, including any additional expenses. In this case, the risk of accidental loss or accidental deterioration of the delivery item is transferred to the Customer at the point in time at which the Customer is in default of acceptance.

§7

Retention of title

1. All goods delivered shall remain Hermith property until all claims arising from the supply contract have been paid in full. This shall also apply to all future deliveries, even if this has not been agreed explicitly.
2. For the duration of the retention of title, the Customer may not pledge the retained goods or use them as security. The resale is permitted only in the course of ordinary business, provided that the Customer is not in arrears, that there is no application for bankruptcy proceedings involving his assets and that he is not under any obligation to apply for bankruptcy proceedings and only on condition that the Customer receives payment from his customers or makes the reservation that the property is transferred to the customer only after he has fulfilled his payment obligations. The Customer hereby assigns all claims arising from the resale of the goods to Hermith. In the case where Hermith is only entitled to a co-ownership of the goods subject to a right of retention, the anticipatory assignment shall be limited to the part of the claim which corresponds to the co-ownership share of Hermith.

Hermith hereby accepts the above assignments. The Customer is authorized, irrevocably, to collect the claims assigned to Hermith for his own account and in his own name. Hermith reserves the right to revoke a direct debit authorization and to collect the assigned claim itself as soon as the Customer fails to fulfil all or part of its payment obligations or if the financial situation deteriorates significantly, in particular the bankruptcy proceedings for the Customers' assets have been requested or he is obliged

to file an application. Upon revocation of the direct debit authorization, the Customer shall provide Hermith with all information and documents necessary for the collection of the claim and, upon request of Hermith, to provide information to the third parties of the assignment.

3. Hermith reserves the right to withdraw from the contract in the event of breach of contract by the Customer, in particular in case of default of payment, and to demand the return of the goods.
4. The Customer shall without undue delay notify Hermith of attachments, seizures or other disposals, damage or other intervention by third parties and to provide all information and documents necessary for the prosecution. The Customer shall reimburse Hermith for any costs incurred in halting a seizure and attachment, in particular those incurred in instituting a third-party appeal, provided that they cannot be acquired from the creditor instituting legal proceedings.
5. With the processing and reworking of the purchased goods by the Customer, the Customer's expectancy rights continue for the ordered goods during the reworking process. With the combination of the goods subject to reservation with other goods by the Customer, Hermith shall be entitled to co-ownership in the new goods. The proportion of Hermith's co-ownership shall be determined by the ratio of the invoice value of the goods owned by the Customer to the invoice value of the other processed goods at the time. In the case of the Customer acquires sole ownership of the new product, he transfers to Hermith the co-ownership pro rata in the amount of the quota, which results from the ratio of the invoice value of the reserved goods to the invoice value of the main product.

§8

Warranty and report of defects

1. After delivery of the goods, the Customer is obliged to carry out an immediate inspection of the goods and to report any defects found immediately. These examination and notification obligations under §§ 377 ff. HGB apply accordingly to works and works delivery contracts. Obvious damage, in particular transport damage, shall be asserted and confirmed to the transport person upon delivery. Incidentally, the identifiable defects shall be reported in writing immediately, but no later than five working days after receipt of the goods, hidden defects immediately after their detection in writing.
2. Claims become time-barred twelve months after delivery, if no longer periods are stipulated by law.
3. Should a delivery or service be defective, for which Hermith is responsible and was present at the time of passing of the risk, Hermith shall, subject to timely notification of defects, provide a warranty through supplementary performance and, by Hermith choice, through subsequent improvement or subsequent delivery. In the event of supplementary performance, we are not obliged to bear all expenses necessary for the purpose of supplementary performance, in particular transport, travel, labor and material costs, insofar as the expenses increase because the object has been moved to a location other than the location of the Customer's establishment, unless the transfer corresponds to the intended use. The Customer is obliged to provide us with a detailed written description of the defects complained of by him. If the complaint is omitted or if the complaint is delayed, the contractual partner loses his claims due to any existing defects of the purchased item. The possibility of subsequent performance within a reasonable period of time shall be always granted. In the event of subsequent improvement, Hermith is entitled to use a new product or as good as new product.
4. We can refuse supplementary performance if it is only possible at disproportionately high costs. This is especially the case when the expenses associated with eliminating the defect are likely to exceed 100% of the market value of the purchased item or in the case of subsequent delivery, the costs of replacement by us exceed 150% of the market value of the purchased item.
5. A failure of the supplementary performance arises at the earliest after two attempts of supplementary performance. Only if the subsequent delivery is impossible, denied, unreasonable or failed, the Customer can without prejudice to any claims for damages withdraw from the contract or reduce the remuneration. Only if the Customer has granted Hermith all necessary supplementary performance options in accordance with the above provisions, the Customer has the right to self-rectification of the defect or compensation for the expenses incurred. Claims for damages arise only subject to the further conditions of § 10. Customer claims for expenses, particularly transport, travel, work and material costs required for the purposes of post-performance are excluded, as far as these expenses are due to

the fact that the goods delivered were subsequently brought to a different location than the place of delivery of the Customer, unless the shipment of the goods complies with the intended use.

6. Insignificant changes to the goods in terms of construction, shape and design as well as the values are to be stated in the description and the data sheets as well as insignificant changes to our performance are to be accepted by the Customer, provided that they are reasonable or are customary in quantity, quality or Execution tolerances.
7. The Customer is obliged to accept the delivery even if the goods show a minor deviation from the agreed quality or only minor impairment of usability.
8. Withdrawal by the Customer from the contract is excluded if the purchased item has only insignificant defects. Insignificant defects exist in particular in the case of only insignificant deviations from the contractually agreed quality and in the case of only insignificant impairment of the usability of the goods as stipulated in the contract.
9. Claims for defects are deemed not to exist if these are only negligible deviations from the stipulated quality or only impair serviceability of the product to a negligible extent, or are the result of natural wear and tear, or in the case of negligent treatment or excessive use.

§ 9

Force Majeure

1. "Force majeure" means the occurrence of an event or circumstance that prevents a party from fulfilling one or more of its contractual obligations under the contract, if and to the extent that this party can prove: [a] that such an obstacle is beyond their reasonable control; and [b] that it was not reasonably foreseeable at the time the contract was entered into; and [c] that the effects of the obstacle could not reasonably have been avoided or overcome by the affected party.
2. Pending proof to the contrary, the following events concerning any party shall be resumed in order to satisfy conditions (a) and (b) of paragraph 1 of this clause: (i) war (declared or undeclared), hostilities, Invasion, acts of foreign enemies, extensive military mobilization; (ii) civil war, riot, rebellion and revolution, military or incursive power, insurrection, acts of terrorism, sabotage or piracy; (iii) currency and trade restrictions, embargo, sanctions; (iv) lawful or unlawful official acts, compliance with laws or government orders, expropriation, confiscation of works, requisition, nationalization; (v) plague, pandemic, epidemic, natural disaster or extreme natural event; (vi) explosion, fire, destruction of equipment, prolonged failure of means of transport, telecommunications, information systems or energy; (vii) general labor unrest such as boycott, strike and lockout, go slow, occupation of factories and buildings.
3. A party who is entitled to invoke this clause is exempt from its obligation to fulfill its contractual obligations and from any liability for damages or any other contractual remedy for breach of contract from the time at which the obstacle causes the inability to perform exempted, provided this is communicated immediately. If the notification is not given immediately, the exemption will take effect from the time the notification is received by the other party. If the effect of the alleged obstacle or event is temporary, the above consequences only apply as long as the alleged obstacle hinders the performance of the party concerned. If the duration of the asserted obstacle has the consequence that the contracting parties are substantially deprived of what they could reasonably expect under the contract, each party has the right to terminate the contract by giving notice to the other party within a reasonable period of time. Unless otherwise agreed, the parties expressly agree that the contract can be terminated by either party if the duration of the hindrance exceeds 120 days.

§10

Withdrawal, Liability for damages

1. The right of rescission of the contract shall be governed by the legal provisions subject to the additional proviso that the Customer has the right to withdraw from the contract due to a breach of duty not resulting from a defect of the goods only if Hermith is liable for that breach of duty or agreed otherwise above.

2. For damages that have not arisen on the delivery itself, Hermith shall be liable, for whatever legal reason, only at
 - o – intentional breach of duty
 - o – gross negligence by Hermith legal representatives or executives;
 - o – culpable injury to life, body and health;
 - o – fraudulent concealment of defects or warranty for the quality of a delivery item;
 - o – culpable breach of major contractual obligations, the fulfilment of which is essential for due implementation

of the contract and on which the contractual partner can reasonably expect to be able to rely.

3. Insofar as the above has not been otherwise agreed, further liability of Hermith is excluded.
4. In all other respects liability for compensation for damages of any kind whatsoever, regardless of the basis for claim - including violation of mutual confidence in the preparation of contract - shall be excluded.
5. Insofar as Hermith is liable for negligent conduct, our liability is limited to the damage which we typically had to expect following the circumstances known at the time the contract was concluded. Furthermore, the liability for negligent conduct per event is limited to the amount of the sum insured by the business liability insurance.
6. The above exclusions of liability and limitations do not apply, as far as Hermith has taken over a guarantee, for damages, which are to be replaced after the Product Liability Law, as well as for damage to body, body and health.
7. The afore-mentioned exclusions and restrictions of liability also apply to our employees, auxiliary persons and to any third party somehow involved by us in the implementation of the contract.

§ 11

Other provisions

1. The law of the Federal Republic of Germany shall apply.
2. The venue for all disputes arising out of this contractual and business relationship shall be Munich.
3. Contract modifications, supplements and additional agreements must be in writing. Collateral agreements have not been made. Correspondence by e-mail will be considered as compliance with the written form.
4. These Terms and Conditions may be written and made available in several languages. Decisive for the contractual relationship, however, are only the Terms and Conditions written in German.
5. The transfer of rights and obligations by the Customer to third parties is only permitted with the written consent of Hermith.
6. Should one or more provisions of these Terms and Conditions be or become void or should the Terms and Conditions contain regulatory gaps, the validity of the remaining provisions shall remain unaffected. The void or incomplete provision will be replaced by a provision that comes closest to the meaning and purpose of the desired provision.