

General Terms and Conditions of delivery of Lutz-Jesco GmbH valid from June 2017

1. General conditions

1.1 (Scope) These General Terms and Conditions are only intended for use in commercial transactions with business entities.

1.2 (Conflicting General Terms and Conditions, confirmation in writing) These Terms and Conditions of Business are applicable for the contract; no other conditions shall become a constituent part of the contract, even if we do not expressly contradict them. The customer may only invoke ancillary agreements made prior to or at the conclusion of the contract where the same have been confirmed in text form.

1.3 (Installation Conditions) For agreed installation, commissioning, maintenance and/or service outside our works our Installation Conditions shall apply additionally.

1.4 (Offers, right to make modifications, electronic data storage) Our offers are made free of obligation. We reserve the right to make technical improvements to our products. We may store information which is important for the performance of the contract in data processing systems.

1.5 (Set-off, right of withholding) A set-off by the customer shall not be permitted unless the counterclaims are undisputed or legally established or arising from the right to refuse payment according to Section 320 BGB (German Civil Code).

1.6 (Place of performance, Court of jurisdiction, choice of law) The place of performance shall be our works, for agreed installation the place of the work. For our commercial transactions with customers having no general place of jurisdiction in Germany, with business people, public law legal persons or special funds under public law the place of jurisdiction shall be Wertheim / Mosbach as competent courts of our registered office. We can also take legal action against the customer at his registered office. The contract shall be construed and interpreted in accordance with the laws of the Federal Republic of Germany with exception of the 'UN Convention on the International Sale of Goods' (CISG).

1.7 (Contractual language) The language of the contract is English.

2. Risk; Transport costs

2.1 Risk shall pass to the customer when the goods to be delivered leave our works, even where we assume the tasks of despatch, export or installation.

2.2 The customer shall bear all packing, transport and insurance costs to the place of delivery as well as customs duties.

3. Delivery period, Force majeure, Delay

3.1 Delivery periods are quoted ex works. They shall only start to run following clarification of all technical questions still open at the point in time of the conclusion of the contract, following receipt of all documents to be procured by the customer, such as drawings and approvals, and/or following any advance payments to be made, as well as any production releases.

3.2 Force majeure and also strikes or lockouts for which we are not responsible shall extend the delivery periods by the period of delay thereby occasioned. The same shall apply in case of

- a) shortages of supplies for which we are not responsible and/or
- b) delayed deliveries or failure of delivery by our suppliers and/or
- c) compliance with national and international statutory provisions, embargoes or other sanctions of the European Community or the United States of America, obligations to obtain consents or the imposition of official orders (e.g. export control law) and/or
- d) additional or changed performances requested by the customer. We shall inform the customer without delay about the delivery obstacles of the delivery products.

3.3 In any case the customer has to send us a reminder setting a reasonable period of grace before claiming default of delivery.

3.4 In the event of damage suffered through default, we limit our liability for damages in addition to the performance to 5 %, and for damages in lieu of performance to 10 % of the value of our delivery/performance. The limitation shall not apply in the case of intent, gross negligence and/or in the case of injury to life, body or health

3.5 The foregoing provisions shall apply also for installation times. An installa-

tion time shall commence only after completion of any preparatory works by the customer (according to the installation conditions).

4. Prices, Conditions of payment, Provision of security

4.1 Prices quoted shall be EXW (ex-works). If applicable, VAT will be added. We may raise prices in accordance with Section 315 BGB (German Civil Code) in proportion to cost increases (including tax increases) if a period of more than four months lies between conclusion of contract and delivery.

4.2. Subject to any separate written agreement, invoices are due for payment immediately without any deduction to our account in the Federal Republic of Germany, in EURO (!). We shall accept bills of exchange or checks only on account of performance and at the customer's expense.

4.3 In case of any delay in payment and/or justified doubts as to the creditworthiness of the customer, we may at any time make any individual delivery dependent upon its settlement in advance or upon the provision of security in the amount of the respective invoice sum.

5. Reservation of title, Advance assignment

5.1 The goods delivered shall remain our property until unconditional payment has been made for the same in full. Should we also have further claims against the customer, the reservation of title shall continue in existence until they have been settled.

5.2 The customer may not pledge or otherwise encumber the goods subject to the reservation of title. The customer may re-sell goods subject to the reservation of title only in the normal course of business and provided that title shall pass to his purchaser when his purchaser has paid in full. The customer may not combine the goods subject to the reservation of title with other items in relation to which rights of third parties exist.

5.3. Should goods subject to the reservation of title become a component part of a new (complete) object through combination with other items, we shall become a proportionate co-owner of the same directly, even where it is to be regarded as the main object. Our share of co-ownership shall be determined according to the ratio of the invoice value of the goods subject to the reservation of title to the value of the new object at the point in time of the combination.

5.4 By way of security, the customer assigns to us already in advance the claims against its purchasers arising from the sale of goods subject to the reservation of title (Clause 5.2) and/ or the newly created objects (Clause 5.3) in the amount of our invoice for the goods subject to the reservation of title. As long as the customer does not fall into default with payment for the goods subject to the reservation of title, it may collect the assigned claims in the normal course of business. It may, however, only use the proportional proceeds for the purpose of payment to us of the goods subject to the reservation of title.

5.5 At the demand of the customer, we shall release securities of our choice if and to the extent the nominal value of the total securities exceeds 120 % of the nominal value of our open claims against the customer.

5.6 In case the customer is in culpable breach of material duties of the contract, namely default in payment, we shall be entitled to demand the return of any goods subject to the reservation of title which are still in the customer's possession after an unsuccessful warning. The demand of return shall not constitute a withdrawal from the contract unless we expressly declare so.

5.7 For the purpose of establishing our rights, we may demand access to the facilities of the customer and have all documents/books of the customer relating to the goods subject to our reservation of title inspected by a person bound by a duty of professional secrecy.

6. Liability for defects

6.1 We are liable that our products are free of defects at the transfer of risk. Immaterial deviations from the agreed quality or insignificant impairments to the usability are, however, to be disregarded. The quality, durability and use in respect of the goods shall be determined exclusively according to the agreed specifications, product descriptions and/or operating instructions. Statements made above and beyond the foregoing, in particular in preliminary discussions

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or advertising, and/or industrial norms to which reference is made shall only become an integral part of the contract through express written inclusion.

6.2 Should the customer wish to use the goods delivered for purposes other than those agreed, it shall itself, upon its own responsibility, carefully examine the suitability and/or the admissibility of the goods for such purposes. We exclude all liability for any use not expressly confirmed by us in writing.

6.3 The customer shall, without delay following receipt, carefully inspect the goods delivered - also in relation to product safety - and notify any evident defects in writing without delay. Hidden defects are to be notified without delay following their discovery. The customer shall report any transport damage immediately to the carrier. In the case of failure to observe these obligations of inspection and notification, warranty claims of the customer shall be excluded.

6.4 In case of a defect the customer has to set us a reasonable period of time to enable us to eliminate the defect either - subject to our discretion - by repairing the product or supplying a product free from defects (subsequent performance according to Section 439 BGB(German Civil Code). In the event of rejection, impossibility or failure of subsequent performance, the customer has the right to demand a reduction of the purchase price or to withdraw from the contract.

6.5 In case that additional expenses to repair or replace the products arise because the customer has transferred the products after delivery to another place than the agreed place of performance the customer has to bear the additional costs.

6.6 We are not liable for any damages following improper handling, use, maintenance or operation by the customer or its vicarious agents of the goods delivered, or for normal wear and tear. This also applies, in particular, in relation to the consequences of thermal, chemical, electro-chemical or electrical influences, and to breaches of our operating instructions. The same shall apply if the defects result from interventions or arrangements made by the customer which have not been confirmed by us.

6.7 Should the customer use the delivered goods in conjunction with environmentally harmful, toxic, radioactive or otherwise hazardous materials, he shall be obliged to inform us and to clean the goods before returning them to us. If applicable, we may charge any necessary costs for decontamination/cleaning and disposal to the customer's account.

6.8 Our liability for slight negligence shall be limited to claims based on injury to life, body or health, to claims arising from the Produkthaftungsgesetz [Product Liability Act] and to claims arising from the breach of essential contractual duties. Further, our liability for the breach of essential contractual duties through slight negligence shall be limited to such damage as is foreseeable for us at the time of the conclusion of the contract and may typically arise

6.9 Claims against us based on defects are subject to a statute of limitations of one year as of the delivery of the goods to the customer. This shall not apply in the cases in which Section 438 Para. 1 No. 2, Section 479 Para. 1 and Section 634a Para. 1 No. 2 BGB (German Civil Code) stipulate longer periods. The restriction of the limitation period shall not apply for claims under the Produkthaftungsgesetz [Product Liability Act] or for damage arising from injury to life, body or health or for other damage resulting from intent or gross negligence or for claims based on fraudulent concealment of a defect.

6.10 Should it prove that the customer lodged a complaint without justification through gross negligence, we may demand reasonable remuneration for the examination and/or repair works.

7. Liability for defects of title, Indemnification

7.1 We shall only be liable that the customer can purchase and use the delivered goods without infringing industrial property rights of third parties in the territory of the Federal Republic of Germany and the EU.

7.2 Claims of the customer for defects of title are excluded in case that industrial property rights of third parties are infringed because we have supplied the goods in accordance with engineering, design, models and forms prescribed by the customer, because of export of the goods by the customer to other countries than the EU and because of types of use of the goods in a manner not agreed with us.

7.3 If we are liable for a defect of title, we shall, at our discretion, either obtain a licence for the respective construction elements in question or replace them with elements free of industrial property rights. If this is not possible for legal or technical reasons or not reasonable for equitable economic reasons, we shall take the construction elements, appliances or appliance parts in question back, reimbursing the purchase price.

7.4 Claims against us based on defects of title are subject to a statute of limitations according to Clause 6.9.

7.5 The customer may not change the delivered goods, nor connect them to or combine them with other objects or use them in any other way, if this would involve the infringement of industrial property rights of third parties. The customer shall indemnify us for all and any claims by third parties due to the infringement of industrial property rights through customer use in the sense of sentence 1, and shall reimburse any costs incurred to us as a result thereof.

7.6 Where we deliver goods in accordance with designs etc. prescribed by the customer, the customer shall be liable towards us that no industrial property rights or other rights of third parties are infringed through the manufacture and delivery of the same. If the customer is at fault he shall reimburse us all damage resulting from any such infringement of rights.

8. Spare parts

If we assume an obligation to maintain / deliver spare parts the obligation shall be limited to a period of five years following the delivery of the original product. Spare parts shall be charged at our currently valid list prices.

9. Industrial property rights, secrecy

9.1 We reserve ownership as well as all industrial property rights and copyrights in relation to all our designs, samples, illustrations, photos, technical documents, quotations and offers, even where the customer has assumed the costs for the designs etc. This shall also apply in case of digital transmission of the designs etc.. The customer may only use the designs etc. in the manner agreed with us. Without our written consent, it may not itself manufacture the goods delivered or have the same manufactured by third parties.

9.2 The customer shall maintain secrecy as towards third parties in relation to all knowledge acquired through the business relationship with ourselves which is not in the public domain.