

**General Terms and Conditions of Sale
of KLOTZ AIS GmbH
– hereinafter “KLOTZ” –**

§ 1 Scope of these Terms and Conditions, Offers, Order Confirmation

- 1.1 The following Terms and Conditions of Sale, Delivery and Payment apply exclusively for all deliveries by KLOTZ to persons pursuing their commercial or independent business activities at the time of conclusion of the contract (entrepreneurs), legal entities under public law, special funds under public law, associations and registered cooperative associations.
- 1.2 General Terms and Conditions that deviate from or supplement our Terms and Conditions do not constitute a contractual component unless their application is expressly agreed in writing. The standard reference to the customer's Terms and Conditions is rejected. These Terms and Conditions of Sale, Delivery and Payment also apply in cases where KLOTZ delivers the order to the customer unconditionally while aware of conditions of the customer that conflict with or deviate from these Terms and Conditions of Sale, Delivery and Payment.
- 1.3 These Terms and Conditions of Sale, Delivery and Payment also apply to all future transactions with the customer.

§ 2 Delivery

- 2.1 All delivery periods given are without obligation.
- 2.2 In the event of unforeseen hindrances to delivery such as force majeure, shortage of raw materials, industrial action or disruption to operations at our company or that of an upstream supplier, KLOTZ will be entitled to postpone delivery for the duration of the cause of the delay. In the event of the unforeseen hindrances to delivery listed above, KLOTZ may also withdraw from the contract prior to its fulfilment. In this case no claims for compensation will apply.

§ 3 Shipping and packaging

- 3.1 Unless otherwise agreed in these Terms and Conditions of Sale, Delivery and Payment or agreed in writing with the customer, all deliveries are ex works. All risk (breakage, shrinkage etc.), including for carriage paid shipments is transferred to the customer upon commencement of shipping.
- 3.2 The lowest-cost route and method of transport will be selected unless a different method of shipping was expressly selected.

§ 4 Prices and payment methods

- 4.1 Prices are given in euros ex works and are exclusive of VAT, carriage, packing and insurance.
- 4.2 Orders with a total net order value of less than 100.00 EUR and fulfilment orders (delivery to different address on behalf of customer) will carry a service surcharge of 10.00 EUR per shipment.
Shipping rates are calculated in accordance with our Shipping Rates list.
- 4.3 Lengths deviating from our standard and in-stock lengths are subject to a cutting charge of EUR 15 per length cut.
- 4.4 Payment is required in advance in all cases. Shipping is undertaken only after receipt of payment. Payment is only deemed to have been made when the requisite amount has been unconditionally credited to KLOTZ. Any deviating arrangements by KLOTZ are at KLOTZ' discretion and require written confirmation by KLOTZ.
- 4.5 In the event of late payment under deviating payment conditions, default interest calculated at nine percentage points over the base rate (section 288 subsection 2 German Civil Code (BGB)) will be applied unless KLOTZ has suffered greater loss of interest; KLOTZ reserves the right to file claims for further compensation. The company reserves the right to file claims for further compensation. In the event of delayed payment, all receivables payable to KLOTZ at that time will be due immediately.
- 4.6 The customer may only offset claims if its counterclaims are res judicata or undisputed or have been recognized by us. Customers are entitled to exercise right of retention only where their counterclaim is based on the same contractual relationship.
- 4.7 KLOTZ reserves the right to adjust prices appropriately in line with any price increases occurring after conclusion of the contract, particularly those resulting from changes in material costs and wages.

§ 5 Retention of title

- 5.1 KLOTZ retains the title to the merchandise until all payments from the business relationship with the customer have been received (reserved goods). Claims from the business relationship include interest, accessory claims, costs of any legal action and costs of an intervention over seizure of the merchandise by third parties. Cheques and bills of exchange are only valid methods of payment once irrevocably redeemed.
- 5.2 The customer undertakes to treat the reserved goods with care and to inform KLOTZ immediately of any access by third parties to the reserved goods in cases such as seizure, as well as of any damage to or destruction of the reserved goods. The customer must inform us immediately of any change of ownership of the reserved goods. The customer is not entitled to seize goods subject to retention of title or to assign them as collateral.
- 5.3 The customer is entitled to sell the merchandise within its orderly course of business. In the case of resale of the merchandise, the customer hereby assigns its claims against its customers from the sale of the merchandise to KLOTZ in advance. KLOTZ accepts the assignment. The assignment may also include a claim for payment of an account balance from an agreed current account. The customer is entitled to collect the assigned claim on its own behalf until such right is revoked by KLOTZ.
- 5.4 At KLOTZ' request, the customer undertakes to provide KLOTZ with the names of its customers against which the customer has claims arising from the sale of the merchandise, including the amounts owed by said customers, and to provide KLOTZ with access to its books and invoices. The customer will inform KLOTZ immediately of any seizure of the merchandise or other interventions by third parties.
- 5.5 Any processing or modification of the merchandise by the customer is always undertaken for KLOTZ. Where the merchandise is processed or combined with other goods which are not owned by KLOTZ, KLOTZ will automatically acquire co-ownership of the new item equivalent to the ratio of the value of the merchandise (the total as invoiced including VAT) to the value of the other processed goods at the time of processing. The same applies to combination of the merchandise with other goods which are not owned by KLOTZ.
- 5.6 If the feasible value of the collateral reserved for KLOTZ exceeds KLOTZ' claims by more than 20%, at the customer's request KLOTZ will release a corresponding part of the collateral at its own discretion.
- 5.7 If retention of title in a foreign country – in cases where the law of that country applies – is invalid or requires other actions such as registration in addition to the contractual agreement, the customer undertakes to participate at its own expense in all actions, and specifically to submit all required statements, aimed at effecting the retention of title or at procuring collateral for KLOTZ that is equivalent to the retention of title.

§ 6 Liability

- 6.1 KLOTZ is liable in cases of intent or gross negligence, of damages arising from culpable injury to the customer's life, limb or health, and of any guarantee of quality or damage falling under the scope of any warranty or guarantee of quality or durability assumed by KLOTZ under applicable law.
- 6.2 KLOTZ' liability in the case of culpable breach of cardinal obligations is limited to compensation for foreseeable damage typical of the contract unless in cases described in §6 subsection 1.
- 6.3 KLOTZ' liability in cases to which neither subsection 1 or 2 are applicable is limited to the contractually agreed payment to a maximum of EUR 50,000.00.
- 6.4 Where liability for compensation is excluded or limited, this also applies to personal liability for compensation held by our employees, contractors and staff.

§ 7 Warranty

- 7.1 In cases where the merchandise is defective, KLOTZ reserves the right to rectify the defect by providing a form of remedy at its own discretion. Where rectification of the defect involves expenses caused by the purchased items being located elsewhere than the place of fulfilment, these expenses must be paid by the customer. § 6 of our Terms and Conditions of Sale applies to compensation claims on the grounds of a defect.
- 7.2 Claims on the grounds of a defect have a limitation period of one year, with the exception of cases of intent to deceive, intent and Sections 478, 479 German Civil Code (BGB). In the case of recourse against the supplier in accordance with Sections 478, 479 BGB, the limitation period remains unaffected. The commencement of the limitation period is set in accordance with the law.
- 7.3 The warranty is void if the customer has reprocessed or sold the merchandise after it discovers, or should within reason have discovered, the defect, unless the customer can prove that the reprocessing or sale were required to avert greater damage.
- 7.4 Natural wear and tear and damage caused by improper handling or storage are excluded from compensation.
- 7.5 The customer may only return new goods to KLOTZ after being assigned an RMA number by KLOTZ.

§ 8 Intellectual property, patterns, moulds, tools; confidentiality

- 8.1 Where KLOTZ provides technical documentation, diagrams, patterns, moulds, tools, samples or quotation documents, KLOTZ reserves the title to these items together with all intellectual property rights and copyrights, even where the customer has covered all or part of the costs therefor. These items may not be made available to third parties and must be returned immediately if an order is not placed. The customer is prohibited from using the technical documentation, diagrams, patterns, moulds, tools, samples or quotation documents to produce the merchandise itself or commission third parties to do so.
- 8.2 If the merchandise is produced on the basis of documents provided to the customer, the customer will be liable for ensuring that its manufacture and/or supply does not breach intellectual property rights or other rights of third parties.

§ 9 Return and disposal of old products in accordance with the German Electric and Electronic Equipment Act (Act Governing the Sale, Return and Environmentally Sound Disposal of Electrical and Electronic Equipment, ElektroG) where the merchandise falls under the scope of the Act:

- 9.1 At the end of use of the merchandise, the customer undertakes to duly dispose of same at its own expense in line with statutory regulations.
- 9.2 The customer shall release KLOTZ from its obligations under Section 10 subsection 2, German Electric and Electronic Equipment Act (ElektroG) (manufacturer's obligation to accept returned goods) and from any associated claims.
- 9.3 The customer will contractually oblige any commercially operating third parties to which it passes the merchandise to duly dispose of same at their own expense in line with statutory regulations, and to undertake to impose a corresponding obligation on any further third parties to which they pass on the merchandise.
- 9.4 If the customer omits to contractually oblige any commercially operating third parties to which it passes on the merchandise to assume this duty of orderly disposal or impose this duty further, the customer will be obliged to take back the merchandise at the end of use at its own expense and to duly dispose of same in line with statutory regulations.
- 9.5 The right of KLOTZ to require the customer to assume the duty of orderly disposal and release KLOTZ from its obligations under the Act will have a limitation period of not less than two years from the final end of use of the equipment. This two-year suspension of expiry will commence at the earliest upon receipt by KLOTZ of the customer's written notification of the end of use.

§ 10 Place of fulfilment and jurisdiction, concluding provisions

- 10.1 The place of fulfilment and jurisdiction is Ebersberg. However, KLOTZ is also entitled to take legal action against the customer at its place of general jurisdiction.
- 10.2 This agreement is exclusively subject to the laws of the Federal Republic of Germany. Application of the UN Convention on Contracts for the Sale of Goods (CISG) is excluded.
- 10.3 If one of the above provisions is or becomes unfeasible or invalid, the effectiveness of the other provisions shall remain unaffected. The parties undertake to replace the unfeasible or invalid provision with a feasible or valid provision that most nearly corresponds to the economic purpose of the invalid provision.

KLOTZ AIS GmbH

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_____ date _____

_____ company / company stamp _____

_____ signature _____