

General Terms and Conditions of Business.

RMB/International GmbH.

General Terms and Conditions of Business of the firm RMB/International GmbH

I. Validity

1. Our General Terms and Conditions of Business apply exclusively (referred to as conditions of business hereinafter) to all contracts, deliveries, assemblies and services, including advisory services, information, etc., with our customers and vis-à-vis our customers. We do not recognize the customer's conditions that oppose our conditions of business, or which differ from them, unless we would have consented to their validity expressly. Our conditions of business also apply whenever we unreservedly carry out the delivery while being aware of the customer's opposing conditions, or those which differ from our conditions of business.

2. Our conditions of business also apply to all future contracts that are made with the customer within the framework of the existing business relationship.

3. German law is exclusively applicable to the contractual relationship with our customer, subject to excluding the UN Purchase Law¹. The laws of the Federal Republic of Germany are also applicable for the interpretation of the contract.

II. Conclusion of the contract and alterations

1. All agreements that are made between us and the customer in connection with the contract must be set down in writing.

2. Our quotations are provisional, subject to change without notice and given without engagement; we can revoke them at any time until the customer has declared his acceptance in writing, unless we have expressly described our quotation(s) as binding. All contracts will materialize when our written acknowledgement of order has been issued, or when the delivery is made or the service is provided at the latest. The contract with the customer is decisive for the extent of supply or the scope of work.

3. If one of the customer's orders is not based on any quotation from us, then we are entitled to accept the customer's contractual offer that is made in the purchase order within two weeks after we have received it. Lines 2 and 3 of Clause II.2 apply accordingly.

4. We are entitled to alter our delivery items, e.g., alterations of the construction or shape, within the framework of the technical progress or depending on the production, insofar as these alterations are reasonable for our customer. The tolerances that are permitted in the standard data-sheets apply in the case of standardized goods.

5. We can withdraw from the contract if we are not being supplied correctly or punctually by our suppliers. This rule only applies in the case that we are not responsible for the non-delivery; especially in the case of concluding an identical covering business with our supplier. We will immediately inform the customer that the goods are unavailable and we will immediately reimburse any *quid pro quo* (i.e., payment for the goods) that has been received already.

6. The brochures, advertising literature, price lists or catalogues that are issued by us, as well as the information which is contained in them, are only an element of the delivery item's agreed quality if this has been expressly agreed between the customer and ourselves.

III. Documents

1. We are allowed to diverge – to an extent that is reasonable for the customer – from all of the documents that have been made accessible to the customer, or which are attached to our quotations (e.g., technical specifications, drawings, illustrations, information about dimensions and weight) within the framework of the technical progress or depending on the production, unless we have expressly described the information as binding.

2. We reserve our rights of ownership, all copyrights or other commercial intellectual property rights, or both, over all of the documents that are made accessible to our customer. Our documents are not allowed to be used otherwise without our prior written permission; in particular, they are not allowed to be (photo-) copied or made accessible to third parties either. These documents must be given back to us without undue on demand.

IV. Time limits and deadlines

1. It is a prerequisite for meeting the delivery deadline which is quoted by us that all of the technical questions are clarified with the customer. Furthermore, it is a prerequisite for our delivery obligation that the customer fulfils his obligations punctually and properly; especially by making the agreed payments and pledging any agreed securities. The objection that the contract has not been fulfilled remains reserved.

2. The agreed limits for delivery and service will begin to run – for the lack of another agreement – on the date when our written confirmation of order is given, or when the first pre-payment has been received at the earliest in the case of agreed pre-payments.
3. Agreed time limits will be prolonged reasonably whenever the contract with our customer is changed or supplemented, or whenever our customer does not fulfil his duty of cooperation punctually.
4. The time limit for delivery will be complied with if the delivery item has left the factory before it expires. The time limit for delivery will be complied with if the service has been provided before it expires and – according to the agreement – the commissioning or readiness for acceptance is notified.
5. Partial deliveries are permitted, insofar as they are reasonable for the customer.

¹ United Nations Convention on Contracts for the International Sale of Goods (CISG).

6. If the customer is in delay with the acceptance, then we can demand compensation for the incurred extra costs (e.g., due to storing the delivery item). If the customer infringes other duties of cooperation, then we can demand compensation for the damage that has been incurred in this respect (including extra costs), unless the customer has not infringed the duty of cooperation culpably. Further claims remain reserved; especially claims for compensatory damages if the customer falls into arrears as a debtor at the same time as being in delay with the acceptance,
7. Cases of force majeure (unforeseen circumstances and events for which we are not to blame and which we could not have avoided even by taking the due care and diligence of a prudent business, e.g., industrial disputes with us or other suppliers, war, fire, hindrances in transport, official measures, natural occurrences or lock-outs) interrupt our obligation of delivery for the time of their duration plus a reasonable start-up period and the extent of their effect. That rule also applies whenever we find ourselves in delay with the delivery. We will inform the customer immediately about the onset of a case of force majeure. We are entitled to withdraw from the contract entirely or partially due to the part that has not been fulfilled yet, if it would be unreasonable for us to continue with the contract on account of the force majeure's duration, even subject to considering the customer's interests
8. If the hindrance lasts longer than three months, the customer is entitled to withdraw from the unfulfilled part of the contract.
9. Our liability due to delayed delivery is governed by Clause IX.

V. Passage of risk

1. The delivery is agreed to be ex-works (EXW: INCOTERMS 2010) insofar as nothing else arises from the contract expressly.
2. The risk passes to the customer when the delivery item is despatched: namely even whenever partial deliveries are made or if we have undertaken other services, e.g., transport and setting up. If an acceptance is required, then the risk passes to the customer with it. The acceptance must be carried out immediately on the agreed date or when we have declared the readiness for acceptance. It is only allowed to be refused if an important defect is present. If the despatch, installation or acceptance is delayed for reasons which are not attributable to us, then the risk passes when we have notified the readiness for despatch, installation or acceptance; the acceptance applies after two weeks have passed following the declaration of readiness for acceptance.

VI. Price and payment

1. The prices for deliveries apply ex-works (EXW: INCOTERMS 2010) including loading at the factory, in the absence of a special agreement; however, the prices exclude other incidental expenses like freight, customs duties, packing and packaging, for example. These costs will be invoiced separately, insofar as they are incurred. Turnover tax is not included in our prices: the amount of it that is respectively valid on the day of presenting the invoice will be shown separately in the invoice insofar as it arises,
2. A price that we quote for payment of exchanged parts only applies conditionally on the capability of repairing the main parts.
3. The payment must be made without any deduction and free of charge to our payment office by the date that is given in the invoice, in the absence of special agreements. The credit entry of the amount in our bank account is decisive.
4. Bills of exchange and cheques will only be accepted to facilitate payment. Bills of exchange and cheques will only be accepted on the basis of a written agreement and subject to the prerequisite of discountability; the customer must bear the costs that are incurred as a result and these costs will be due for payment whenever the bill of exchange or cheque is accepted.
5. The customer can only set off payments if his counter-claims have been established as legally valid or they are undisputed: this rule also applies to the same extent to asserting rights of retention and refusal of service by the customer.
6. Our invoices and bank statements apply as recognized, if they are not opposed in writing to us within six weeks after the customer has received them. We will advise the customer separately about this consequence in the invoice or in the bank statement.
7. We can – conditionally on further legal claims – revoke the granted dates of required payment and make our debt claims due for payment immediately, if reservations arise against the customer's creditworthiness or after the contract has been concluded, especially in the case of payment arrears or if seizures or compulsory execution measures take place against him. In addition, we can demand advance payment or securities for further supplies or services.

VII. Reservation of ownership

1. We reserve the ownership of the objects (conditional commodities) that we deliver or install, or both, until all of the claims arising from the business relationship with our customer now and in future are vested in us – irrespective of whatever legal reason. The suspension of individual debt claims that are quoted in a current invoice and in the account balance does not affect the reservation of ownership; the reservation refers to the recognized and actual balance in this case. Only the receipt of the equivalent value (i.e., *quid pro quo*) by us or in our bank account applies as payment. The reservation of ownership will not be revived again for items, if new debt claims arise against customer from the business relationship after he has acquired the ownership of these items.

2. The customer will carry out any processing or remodelling of the conditional commodity exclusively for us, without us incurring liabilities from it. We will acquire co-ownership of the new article according to the ratio of the new article's total value with the conditional commodity's invoiced value (including turnover tax) in the case that the customer connects the conditional commodity to other goods or mixes them with other goods which do not belong to us, The new article that is created by the processing also applies as the conditional commodity for the purposes of these provisions. If the connection or mixing takes place in the way that the customer's article must be considered as the main article, then it applies as agreed that the customer assigns the proportionate co-ownership to us herewith. We accept the assignment. The customer will safeguard our sole ownership or co-ownership for us free of charge.

3. The customer is entitled to resell the conditional commodity during the ordinary course of business; this does not apply if the customer's debt claim lapses against a third party because of set-off within the framework of the sale. The customer assigns to us herewith for the sake of security all debt claims (including all balance debt claims from the current account that arise even after ending the contract) amounting to the finally invoiced amount (including turnover tax) of our debt claim, which are vested in him against his customer or a third party. from the resale or because of another legal reason. The assignment depends on whether the conditional commodity will be sold without the processing or after the processing. We accept the assignment. The customer remains empowered to collect these debt claims himself, even after the assignment. Our authority to collect the debt claims ourselves remains unaffected by that. Nevertheless, we undertake not to collect the debt claims provided that the customer complies with his payment obligations from the collected revenue (i.e., proceeds) and he has not fallen into arrears with payment. If this is the case however, then we can demand that the customer announces the assigned debt claims and their debtor to us and he gives all of the information that is required for the collection – especially the debtor's address – that he hands over the associated documents and that he notifies the debtor about the assignment.

4. The entitlement according to the preceding Clause 3 does not include transferring or pledging the conditional commodity or the articles that are made from them as security without our consent. Our prior written consent is required for concluding financing contracts (e.g., leasing), which include the transfer of our conditional rights, insofar as the contract does not obligate the financing institute to pay the share of the purchase price that is vested in us directly to us.

5. Our customer has the duty to keep and store the conditional commodity in proper condition and to identify it as the goods which are our property. The customer has to notify us immediately in writing, in the case of seizures or other third-party actions. The customer also has to keep the payments that are made for debt claims which are assigned to us separate from his assets and to forward them to us immediately.

6. The customer bears all of the pre-trial costs and legal costs which must be outlaid for annulling the seizure or another third-party action over the conditional commodity and for recovering it, insofar as it cannot be collected from the third party. If we are entitled on account of the Clause VII to assert the debt claims that are assigned to us, then the customer has to reimburse us with the pre-trial costs and legal costs which are necessary for this purpose.

7. We will (re-)assign the ownership of the conditional commodity that is vested in us and the claims over it that are assigned to us in response to the customer's demand at our discretion, insofar as its realizable net value exceeds the nominal value of the claims against the customer which are vested in us altogether by more than 10%.

VIII. Customer's complaints (notification of defects) and remedy of defects

1. The customer's claims and rights because of defects (also referred to as "defects claims" hereinafter) require as a prerequisite that he has properly complied with his obligations regarding inspection and complaint according to Article 377 of the German Commercial Code (*Handelsgesetzbuch*). The customer has to complain to us in writing about apparent defects immediately after discovering them or at the latest within eight calendar days after receiving the delivery or service; he must complain about latent defects in writing at least eight calendar days after discovering them. The defect must be notified to us in a checkable form.

2. We are not liable for the damage and deterioration that arises from continuing to use the delivery item or delivered service while being aware of a defect. We are only liable in the case of a defect that is detectable during the acceptance, insofar as it is listed in the acceptance record.

3. The customer has to give us the opportunity immediately of inspecting the defect and to follow our advice about limiting the cost and the damage. In the case of third-party products, we are entitled for the sake of fulfilment – insofar as this is reasonable for the customer – to assign to the customer our defects claims which are vested in us against the supplier of the third-party product. The customer only has the right to remedy the defect himself or to arrange for it to be remedied and to demand compensation for the necessary costs in urgent cases of jeopardizing the operational safety and in order to avert unreasonably great damage, or if we are in delay with remedying the defect. Nevertheless, we must be informed immediately in such a case. We

are not liable for the consequences of improper repair or another alteration of the delivery item that is carried out by the customer or a third party.

4. Insofar as the delivery item has a defect, the choice is vested in us regarding the subsequent fulfilment – diverging from Article 429, Para. 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) – to either remedy the defect or to supply a new faultless article.

5. If the subsequent fulfilment fails, then the customer is entitled at his discretion to withdraw from the contract or to reduce the price. The customer can only demand compensatory damages instead of performance after the subsequent performance has failed, unless a request for the subsequent performance is superfluous according to the law. The subsequent performance will apply as having failed after two attempts at remedying the criticized defect have not lead to the delivery item being freed from the defect in this connection, or if these attempts have not been undertaken within a reasonable time limit.

6. The customer's legal claims to recourse or redress only exist insofar as the customer has not made any agreements with his buyer (i.e., his own customer) which extend beyond the legal claims and rights concerning defects.

7. The customer is only allowed to retain payments to the extent that is reasonable in relation to the arisen defects.

8. If we are to blame for the defect, then the customer can only claim for compensatory damages according to the supplementary prerequisites of Clause IX.

IX. Liability

1. Our liability for compensatory damages irrespective of whatever legal reason, especially arising from impossibility, delayed delivery, infringement of duties with contractual negotiations or impermissible action too, is restricted according to this Clause IX.

2. We are liable unlimitedly according to the Product Liability Law insofar as it is relevant for fraudulently silent about a defect, for injury to the life, limb or health, for (criminal) intent or insofar as we have undertaken a guarantee. We are only limitedly liable for the contractually typical damage that was foreseeable when the contract began, in the case of gross negligence.

3. We are also only limitedly liable for the contractually typical damage that was foreseeable when the contract began, in the case of slightly negligent infringement of essential rights or duties which arise according to the contract's content and purpose.

4. We are not liable for slightly negligently caused damage, apart from the cases that are mentioned in the preceding Clauses 2 and 3,

5. Insofar as our aforementioned liability is excluded or limited, this also applies to the personal liability of our staff, contractors, employees, representatives and agents (sub-contractors).

6. No reversal of the burden of proof to our customer's disadvantage is connected with the preceding regulations.

X. Statutory limitation

1. The warranty period due to defects in the delivery item is 1 year. The legal warranty periods according to Article 438, Para. 1, No. 2 of the German Civil Code (*Bürgerliches Gesetzbuch*) and Article 634a, Para. 1, No. 2 of the German Civil Code (*Bürgerliches Gesetzbuch*) remain unaffected.

2. The customer's other claims due to infringements of duty by us, especially claims for compensatory damages or claims arising from a guarantee, are time-barred after one year. The customer's right to withdraw from the contract due to us being responsible for an infringement of duty which was not caused by a defect remain unaffected. The statutory periods of limitation apply to the customer's following claims as a divergence from Line 1:

a) according to the Product Liability Law as well as due to damage arising from injuring the life, limb or health, or essential rights and duties arising from the contract,

b) due to damage that is caused by a deliberate or grossly negligent infringement of duty by us or our agents (sub-contractors),

c) due to fraudulently remaining silent about a defect,

d) as reimbursement of expenses according to Article 478, Para. 2 of the German Civil Code (*Bürgerliches Gesetzbuch*).

3. The legal provisions about when the statutory limitation begins, suspending the time limit, the suspension and the commencement of time limits remain unaffected.

4. Our claims against the customer are time-barred according to the legal regulations.

XI. Place of jurisdiction¹ and final provisions

1. If the customer is a businessman, legal entity under public law or a special asset under public law, then our registered office (i.e., legal domicile) is the exclusive place of jurisdiction for settling all of the disputes that arise from the contractual relationship or are connected with it. The same thing applies if the customer does not have any general place of jurisdiction in Germany,

or if he has moved his residence or his usual place of residence abroad, or his residence or usual place of residence are unknown at the point in time when legal proceeding are instituted. Nevertheless, we are entitled to sue the customer at his place of jurisdiction too.

2. Insofar as nothing else arises from the contract, our place of business (i.e., registered office) is the place of performance² for providing all of the services arising from the contract.

3. If one of the contract's provisions is inoperative or becomes so, then the operativeness of all the remaining provisions or agreements will not be affected by that. The inoperative or invalid provision applies as being replaced by the provision which approximates as closely as possible to the economic sense and purpose of the inoperative or invalid provision in a legally effective way. The aforementioned regulation applies equally to legal loopholes. If individual clauses of these conditions of business are inoperative or become so, then Article 306, Para. 1 and 2 of the German Civil Code (*Bürgerliches Gesetzbuch*) will apply divergently.

4. The buyer (i.e., customer) is not entitled to assign the contract or parts of it or the debt claims that are vested in him to a third party without our prior express consent. Article 354a of the German Commercial Code (*Handelsgesetzbuch*) remains unaffected by this regulation.

5. No action that is taken by us – except for an express written declaration of waiver – represents a waiver of a right that is vested in us which arises the contract, these conditions of business or the law. A delay with safeguarding our rights does not apply as a waiver of the affected right either. A single waiver of a right does not apply as a waiver of this right in the case of another matter.

¹ *domicilium disputandi*

² *domicilium executandi*