



## General terms and conditions of business (GT&C)

### I. SCOPE OF APPLICATION

1. The following general terms and conditions (GT&C) apply to all business relationships with our customers. The customer accepts the GT&C as legally binding for this agreement and for all future transactions. All amendments and additions to this agreement require our written confirmation. Purchasing conditions issued by the customer shall not be recognised or allowed to form part of this agreement, even if we fail to express our opposition in this respect and/or complete delivery.
2. Our delivery conditions and payment terms only apply to registered traders under the terms of article 14 of the German Civil Code (BGB), legal entities registered under public law and/or special organisations or partnerships within the meaning of article 310 BGB. Registered traders within the meaning of article 14 BGB are individuals, legal entities or legally-constituted companies with whom a business relationship is entered into in the course of commercial activity or operation as a self-employed professional.

### II. QUOTATION AND DELIVERY

1. Our quotations are non-binding. Timely delivery shall depend on a smooth production process and the likewise-timely provision of preliminary materials. If our timely fulfilment of the agreement is delayed by procurement-, manufacturing- and/or delivery-related incidents that are not attributable to us, but which affect us and/or our own suppliers, including but not limited to labour disputes and energy shortages, the delivery time shall be extended by the duration of the incident concerned, subject to a maximum of three months counted from the agreed date of delivery.
2. The customer may only withdraw from the agreement if the customer first grants us, in writing, a reasonable additional period of grace beginning after the expiry of the extended deadline. If we then still fail to fulfil the agreement, notice of termination must be issued in writing.
3. If fulfilment of the agreement is impossible for us, whether wholly or in part, we shall be released to the corresponding extent from our obligation to deliver.
4. We shall immediately notify the customer of any hindrance under the terms of section 2 and/or impossibility of fulfilment under the terms of section 3.
5. If the customer is in arrears with the payment of a previous delivery, we shall be entitled to withhold subsequent deliveries without being obliged to pay compensation for any loss or damage that might result.
6. We may make partial deliveries, unless this is unreasonable for the customer.
7. The cost of making or modifying tools and equipment for specific customer orders shall be paid on a pro rata basis by the customer concerned. We shall however retain title to the items concerned.
8. Our delivery quantities may vary by up to +/- 5% with respect to the quantities ordered. Corresponding extra quantities must be accepted and paid for by the customer. No claims can be made in the event of a correspondingly-smaller quantity being delivered.
9. In the event of material being supplied by the customer, the customer undertakes to deliver such material to our premises, at its own cost and at least two weeks before production starts, inspected, properly-labelled, belt linked and configured for automatic processing. Excess material deliveries of 2% are to be taken into account. If the quantities of materials provided by the customer are incorrect to an extent that requires multiple reconfiguration of machinery or technical modification of the product, or which hinders production, we shall be entitled to invoice the customer for the corresponding additional expense.
10. Material surpluses caused by the configuration of packing units must be accepted, insofar as the material concerned cannot be used elsewhere.

### III. PRICES

1. If a call or forward order made within the agreed period results in only part of the agreed quantity being accepted, we shall be entitled, at our discretion, either to charge the current price for the delivered part of the batch concerned or to deliver and invoice the quantity not yet ordered.
2. If the order involves specific technical aspects that the customer has not indicated, despite knowing of their presence when the corresponding quotation was issued, which result in additional costs that are unavoidably necessary on technical grounds, we shall immediately notify the customer accordingly and pass on the additional expenses incurred, at cost price, to the customer.

### IV. PRICE ADJUSTMENT

We reserve the right to adjust prices as a result of possible fluctuations in the market prices of materials. The prices of imported items such as electronic components shall be based on the dollar exchange rate in force on the date of issue of the corresponding quotation. We reserve the right, in the event of changes to the dollar exchange rate, to amend prices to match the exchange rate in force on the day of delivery, and invoice them accordingly.

### V. PAYMENTS

1. Our invoices must be settled within eight days of their date of issue, unless otherwise agreed. In the case of development work, payment shall fall due as follows: 30% upon confirmation of the order, 30% upon delivery of initial samples and 40% upon completion of the order.
2. One-off costs such as non-recurring, order-related expenses shall be invoiced immediately after receiving the order. 50% of material costs shall fall due for payment six weeks before delivery of the subassemblies concerned. We shall furthermore be entitled to invoice the customer in advance for material bought in by us, if production is delayed for reasons attributable to the customer.
3. We shall be entitled, in the event of late payment on the part of the customer, to charge interest at eight percentage points above the current annual base-rate of the German Bundesbank. We also reserve the right to demand additional compensation in the event of further delays in payment.



4. We expressly reserve the right to refuse payment by cheque or bill of exchange. Acceptance shall be on account of performance only.
5. In the event of serious contractual infringement justifying immediate payment which is attributable to action or omission on the part of the customer (including but not limited to the non-payment of cheques, late payment, insolvency or bankruptcy), we shall be entitled to demand immediate settlement of the debt concerned.
6. We shall be entitled, notwithstanding any other provisions on the part of the customer, to offset payments initially against the oldest debt due.
7. The customer shall only be entitled to retain payment if the counter-claim in question derives from the same contractual relationship. The offsetting of claims by the customer shall only be permitted if the corresponding counterclaim is recognised by us, undisputed or otherwise legally enforceable.

## **VI. TERMINATION**

The cancellation (termination) of an order shall only be possible subject to settlement of payment for all costs incurred up to that moment, along with all and any subsequent costs (with particular reference but not limited to the costs of retooling machines, scrapping of items and/or running idle). Cancellation-related expenses shall be invoiced at actual cost, unless otherwise contractually agreed in specific cases.

## **VII. RESERVATION OF TITLE**

1. We shall retain legal title to all goods until all outstanding claims, including future claims arising from the business relationship, have been settled by the customer. This provision shall also apply to claims that are subject to conditions.
2. Finishing or transformation by the buyer of goods subject to reservation of title is in any case carried out on our behalf. If items that are not our property within the meaning of articles 947 and 948 of the German Civil Code (BGB) are inextricably combined with items subject to retention of title, we then acquire part-ownership of the resulting end-product in proportion to the value of the item subject to retention of title (final invoiced price, including VAT) relative to other inextricably-combined items at the moment in which this combining takes place. If this mixing of items is such that the part belonging to the buyer is the main item within the meaning of articles 947 and 948 BGB, it is hereby agreed that the customer shall assign us proportional part-ownership to the corresponding extent. The customer shall assign joint or sole ownership at no cost to us. The item resulting from processing, combining or mixing shall otherwise be subject to the same provisions as those applying to goods delivered subject to retention of title.
3. The customer may dispose of goods subject to retention of title by selling them in the normal course of business, but must not use them for any other purpose, with particular reference but not limited to their pledging or use as collateral.
4. The customer hereby transfers to us, with immediate effect, its claims arising from the resale of goods subject to retention of title to the extent indicated by the amount, along with all ancillary rights, shown on the final invoice, including VAT, that corresponds to our outstanding claims, regardless of whether the purchased item has been resold without or after further processing.
5. If the customer's claims resulting from resale are deposited in a current account, the customer hereby assigns to us, with immediate effect, its current-account claims against its own customer. The sum assigned shall correspond to the final invoiced amount of our claim, including value-added tax (VAT).
6. The buyer shall be entitled, until the right is revoked, to collect claims assigned to us. The assignment or pledging of these claims shall only be allowed with our written permission. In the event of circumstances arising that affect the seller to an extent warranting revocation of its authorisation to collect claims, especially if our security-related interests are involved (including but not limited to late payments, bankruptcy or insolvency), the customer shall, at our request, notify debtors in writing of the assignment in order to supply, present or transfer to us all information necessary for collection. The customer shall supply us, for this purpose and as required, with access to the relevant documents.
7. We shall be entitled, in the event of not-inconsiderable contractual infringement on the part of the customer, with particular reference but not limited to the circumstances described in section 6 on page 3, to terminate the agreement under the terms of articles 323 and 324 BGB. The customer shall, at our request, give us access to the goods subject to retention of title that are still in its possession, provide us with a detailed list of the goods concerned, sort and separate the items in question, and return them to us.
8. If the realisable value of our securities exceeds that of our claims by more than 10%, we shall, at the customer's request and our discretion, release securities of the corresponding value.
9. The customer shall notify us immediately and in writing of all and any third-party access to goods subject to retention of title or claims assigned to us, and provide us with full support in the event of any intervention in this respect.
10. The customer shall bear all the costs of complying with the above obligations to cooperate in the exercising of rights arising from retention of title, along with expenses arising from the storage and maintenance of the goods concerned.

## **VIII. PACKING AND SHIPPING**

1. Delivery shall be ex-works, using either returnable containers or packing material supplied free of charge by the customer. Goods shall be packed in accordance with normal practice and standards applicable to the sector. If packing materials are provided by the customer, we shall accept no liability whatsoever for any loss or damage that might result from the use of defective materials in this respect.
2. Special packaging and replacement items shall be invoiced at cost price.
3. Delivery shall take place at the customer's expense.

## **IX. TRANSFER OF RISK**

1. The risk of accidental loss and accidental damage affecting the goods shall be transferred to the customer at the moment in which the goods concerned are handed over. In the case of despatched goods, risk shall be transferred at the moment in which goods are delivered to the haulage contractor, carrier or person or agency responsible for transport.
2. The same shall apply to all and any returns despatched by the customer.



3. Transport insurance shall be charged at a rate of 1% of the value of the goods concerned. Insurance cover will only be arranged at the customer's request and at its expense.

#### X. WARRANTY AND LIABILITY

1. Goods are produced and supplied in accordance with the corresponding quality guidelines.
2. Our deliveries should be inspected, immediately after receipt, to detect possible anomalies. The customer guarantees the carrying-out of Goods IN inspections in accordance with AQL. Written claims for obvious defects must always be submitted within two weeks of having received the goods concerned. All right to exercise claims for defects shall otherwise be excluded. The punctual despatch of notifications shall be deemed valid for the observance of time limits. Article 377 of the German Commercial Code (HGB) shall otherwise remain unaffected.
3. If the verification of functionality by means of an electrical test (own production stage) is not contractually agreed in each case, we shall be liable only for conformity with our own standards of workmanship, as verified by visual inspection.
4. There shall be no right to claim for defects if the customer or a third party carries out modifications to the goods supplied, unless the customer can prove, in relation to the defect concerned, that the modifications were not the cause of that defect. Claims for defects shall likewise be excluded if the customer fails to comply immediately with a request on our part to return an item giving rise to a claim.
5. In the event of a justified claim, we shall rectify the situation, at our discretion, by cost-free correction (repair of the defect) or replacement (delivery of an item free of defects). We shall bear the resulting costs in such cases, including those payable for transport, travel, labour and materials. If repair or replacement fails to remedy the situation, the customer may, at its discretion, reduce the purchase price or withdraw from the agreement.
6. Items subject to claims for defects must be suitably packed before returning them to us. The assignment of costs shall be subject to section 5.
7. The customer shall require prior written consent from us for all and any attempt on its part to remedy defects and then claim compensation from us for the expenses incurred.
8. The provision of remedy shall be excluded if there is no corresponding written claim within the meaning of article 377 of the German Commercial Code (HGB) or clause X sect. 2.  
Remedies provided despite the above provision shall not imply liability of any kind.
9. If the remedy is itself defective, the customer shall submit the corresponding written claim within two weeks of receiving the repaired goods in the case of obvious defects, or within one year in the case of defects that are not immediately obvious. The right to make further warranty claims is otherwise excluded. The punctual despatch of notifications shall be deemed valid for the observance of time limits. Article 377 of the German Commercial Code (HGB) shall otherwise remain unaffected.
10. Repair of the goods supplied shall not restrict the original warranty terms or cause them to begin anew.

#### XI. DISCLAIMER / RESTRICTIONS ON LIABILITY

1. Claims for loss, damage or expense – on whatever legal grounds – on the part of the customer are excluded, unless the loss or damage concerned is attributable to misrepresentation or gross negligence or infringement of a major contractual obligation on our part or that of our appointed legal agents or representatives. Major contractual obligations are those whose observance is absolutely vital for the proper fulfilment of the agreement, with particular reference to our obligation to deliver, and if necessary produce, the goods concerned; including the transfer of those goods and the acquisition of legal title and ownership.
2. The customer's rights to claim compensation shall be limited to the loss and damage normally envisaged by an agreement of this type and insofar as such loss and damage is attributable to simple negligence on our part or that of our appointed legal agents or representatives.
3. Exclusion and/or restriction of liability covered by sections 1 and 2 shall not apply to product-liability claims; nor shall they apply to loss or damage resulting from death, personal injury or damage to health on the part of the customer, if attributable to negligent contractual infringement on our part or wilful misrepresentation or negligent contractual infringement on the part of our appointed legal agents or representatives. They shall furthermore not apply if and insofar as we are found to have wilfully concealed the defect or accepted a guarantee regarding the quality of the item concerned.

#### XII. EXPIRY

1. The corresponding expiry-limits are as follows:
  - a) Regarding claims for refund of payment arising from withdrawal or reduction: one year from delivery of the goods; or, for properly-notified defects, not less than three months from the submission of effective notification of withdrawal or reduction;
  - b) For other claims for material or legal defects: one year;
  - c) For other claims for loss, damage or reimbursement of expenses incurred: two years, starting from the date on which the customer first knew of the circumstances giving rise to the claim or became aware of circumstances other than gross negligence.
- Expiry dates shall be subject to the maximum time-limits described in article 199 of the German Civil Code (BGB).
2. The legally-established time limits shall however always apply to compensation for loss and damage in the following cases: Product-liability claims; claims resulting from death, personal injury or damage to health on the part of the customer arising from negligent contractual infringement or wilful or negligent contractual infringement on the part of one of our appointed legal agents and representatives; and also in the case of claims arising from our wilful concealment of a defect or acceptance of a guarantee regarding the quality of the item concerned.
3. Repair of the goods supplied shall not restrict the original warranty terms or cause them to begin anew.

#### XIII. COMMERCIAL AND PATENT RIGHTS

In the event of items being produced according to the customer's indications, we shall not be liable under the terms of the internal contractual relationship for any infringement of third-party rights. We reserve our right of redress against the customer. This provision shall also apply if we collaborated in development, or if we developed the item on the basis of the customer's indications.



#### **XIV. ENFORCEABILITY**

Should any of the individual provisions of the agreement with the customer, including these general terms and conditions of business, be ineffective or subsequently become so, whether in whole or in part, this shall not affect the validity of the remaining provisions. The contents of this agreement conform to the corresponding legal regulations. If an absence of statutory cover fully or partially invalidates any provision, the parties shall endeavour to find a legal alternative that corresponds as closely as possible, in terms of economic results, to the invalid part.

#### **XV. APPLICABLE LAW, PLACE OF PERFORMANCE AND LEGAL JURISDICTION**

1. The laws of the Federal Republic of Germany shall apply. Application of the United Nations agreement with respect to international contracts to purchase is hereby excluded.
2. The place of performance for delivery and payment is Delbrück (Germany).
3. Sole jurisdiction over all and any disputes arising from or in connection with this contractual relationship shall correspond to the courts and tribunals of Delbrück, Germany.

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January 2019