

# General Terms and Conditions

## 1. Scope

The Terms and Conditions of Supply and Payment ("Conditions") below shall apply exclusively to all – also future – supplies and services purchased from us (subsequently referred to only as Supplies). Our customers' general terms and conditions shall only apply if we agree to them in writing.

## 2. Offers

Our offers shall be non-binding. Contracts come into being only through our written confirmation of the order or by delivery. In particular, our staff shall be obliged to confirm in writing any verbal collateral agreements or promises exceeding the written contract or altering these Conditions to our disadvantage.

## 3. Prices

3.1 Unless otherwise expressly agreed in writing, the prices stated in our offers shall apply for a term of two months.

3.2 Our prices are FOB Rockledge, Florida and do not include any the applicable sales tax. All costs with regard to transport and customs clearing shall be charged separately.

3.3 Should the delivery period exceed 2 months, and to the extent that, after conclusion of the contract, significant changes in material, energy, raw material or personal costs have arisen that were beyond our control, we may increase or decrease the agreed-upon prices appropriately. Should a price increase exceed 5 %, the customer is entitled to terminate the contract by written notice within two weeks after information about the price increase.

## 4. Terms of payment

4.1 Unless otherwise agreed, our invoices shall be payable within 30 days without any deduction. Payments shall only be deemed to have been made only upon our receipt of available funds. We shall only accept checks and bills of exchange on account of payment; banking charges shall be borne by the customer.

4.2 In case of default in payment, we shall charge interest from the due date at a rate equal to the lesser of (i) 1.5% per month, or (ii) the maximum rate permitted under Florida law.

4.3 The customer may hold back payments or offset claims only to the extent that the counterclaims are undisputed or legally binding.

## 5. Passage of risk and partial deliveries

5.1 Unless otherwise agreed upon, the risk of loss shall pass to the customer when the products leave our facility in Rockledge, Florida, even if we have performed other services e.g. shipping costs or delivery and assembly also by our own transport people.

5.2 We may make reasonable partial deliveries.

## 6. Term of delivery

6.1 The term of delivery shall commence upon receipt of the order confirmation, however not prior to the clarification of all details of order execution and technical questions as well as the receipt of an agreed down payment or collateral. The term of delivery shall be deemed satisfied if by deadline expiration the goods are ready for shipment.

6.2 Our obligation to deliver shall be subject to our being supplied correctly and timely (particularly with regard to basic material) by our sub-suppliers, unless the incorrect or delayed delivery by our sub-suppliers is due to our fault.

6.3 Change requests of customers shall extend the term of delivery until we shall have verified feasibility and by the time period required to implement the new specification in production. If the current production is interrupted by a change request, we shall be able to bring forward and conclude other orders. We shall not be obligated to reserve any production capacities during the delay.

6.4 Reasonable production revisions due to latest development shall be expressly reserved.

6.5 In case of delayed delivery, our liability in case of ordinary negligence shall be limited to 0.5 % of the net value of the goods affected by the delay per completed week of delay. Our maximum liability in such cases is 5% of the net value of the goods affected by the delay. Claims for damages instead of performance according to section 8.1 shall not be affected hereby. The customer shall inform us about its liability concerning contractual penalties to its customers no later than at the time our contract is concluded.

6.6 Events that are unforeseeable, unavoidable, or beyond our control (e.g. force majeure, strikes and lock-outs, interruption of operations, difficulties in obtaining material or energy, transportation difficulties, shortage of staff, energy or raw material, actions by administrative bodies as well as difficulties in obtaining authorizations, in particular import and export licenses) shall extend the delivery period for the length of the disturbance and its effects. This extension of the delivery period also applies when the difficulties occurred to our sub-suppliers or during any existing delay in performance or delivery. Should the difficulty not only be temporary, both parties have the right to withdraw from the contract. In the above named cases, claims for damages are excluded.

## 7. Liability for defects

7.1 We shall be notified in writing immediately of any defects, in no event later than 8 days after receipt of goods, in case of hidden defects, not later than 3 days after their discovery. If these periods are exceeded, any claims and rights in consideration of these defects shall lapse.

7.2 Violation of third party trademark rights is a defect only when these rights are valid in the United States of America.

7.3 In case of justified complaints, we shall – at our discretion – supply replacement or rework the goods. In the case of replacement, the customer shall be obliged to return of the defective goods. Should the replacement or the rework be unsuccessful, denied or delayed in an unjustified manner, the customer shall be entitled, after a reasonable cure period, to demand reduction of the price or – in case of significant defects – withdraw from the contract and demand indemnification for damages instead of performance in accordance with Section 8.1 of these Conditions. The costs of non-performance arising through the purchased item being delivered to another place than the business establishment of the customer shall not be covered.

7.4 If the defect has been caused by an essential third-party product, we shall be entitled to limit our liability initially to the assignment of the claims and rights due to liability for defects, which we are entitled to assert against the supplier of the third-party product, unless the satisfaction of the assigned claim or right fails or cannot be enforced for other reasons. In this case, the customer shall be entitled to the aforesaid warranty rights according to Section 7.3.

7.5 No warranty shall be granted in the following cases: Inappropriate or improper use, faulty or

negligent treatment, improper maintenance, inadequate construction work, unsuitable building ground, changes or repair work performed by the customer or third parties, to the extent that we are not responsible for them.

7.6 The period of limitations is 12 months after assumption of risk, unless we are liable for bodily injury, have violated our responsibilities intentionally or due to gross negligence, maliciously concealed the defect, or assumed an exceeding guarantee, or unless there is a longer statutory mandatory period of limitations.

## 8. General liability

8.1 Claims for damages – regardless of their nature – against us shall be excluded, if we, our legal representatives or persons employed in performing any obligations have caused these damages through ordinary negligence. This exclusion of liability shall not apply to physical injury, nor in case of assumption of a contractual guaranty, nor in case of violation of any material contractual obligations which jeopardizes the fulfillment of the purpose of the contract. Our liability, however shall be limited to the extent of guaranty, or in case of negligent violation of material contractual obligations, to the foreseeable damages typical of the contract.

8.2 Claims for damages must be presented within 12 months after the customer has attained knowledge of the damage and its obligation to pay damages, or should have attained such knowledge without gross negligence.

## 9. Technical documents and Software

9.1 All figures, drawings, plans or other technical documents enclosed with our offers, deliveries or contracts shall remain our property and may not be used otherwise nor made available to third parties nor be duplicated. They are to be returned upon our request at any time.

9.2 These Terms and Conditions shall also apply for Software delivered as part of or related to Supplies, unless otherwise agreed. To the extent that Software to which we possess only a derived right of use (external software or open source software) is licensed to the customer, the rights of use agreed upon between us and our licensors are additionally valid and have priority over the rights of use in these Conditions. The customer will be informed about those rights of use applying to the external or open source software and having priority over the rights of use in these Conditions, or such divergent rights of use will be published on-line.

9.3 Customer shall have no right to ask for Software documentation, unless expressly otherwise agreed. We are under no obligation to provide software maintenance and service unless expressly agreed in writing. Section 7 (Liability for defects) shall remain unaffected.

## 10. Reservation of ownership

10.1 We reserve the ownership in the delivered goods up to the receipt of all payments and irrevocable credit of accepted checks and bills of exchange from the business relations with our customers. In case an open account relationship exists, the reservation of ownership is extended to the recognized balance.

10.2 The customer shall treat the conditional goods with care and keep them in good condition. In particular, the customer must insure them for their replacement value against loss and damage at its own expense. The insurance policy as well as proof of payment of the insurance premiums must be shown to us on request. The customer cedes claims arising from the insurance policies to us in advance. As soon as the customer acquires title, the assignment of claims no longer applies.

10.3 In case of incorporating the conditional goods with other goods, we shall acquire joint ownership in the new goods at the ratio of the invoice value of the conditional goods to that of the other goods.

10.4 The customer shall be entitled to resell the conditional goods or the new goods within the normal course of business; however, it shall assign all claims in their full amount in advance which arise for it from the resale or reuse by order of a customer against the same or third parties. The customer shall be entitled to collect the receivables assigned to us as long as it meets its payment obligations from received revenues. Should a third party initiate action against the conditional goods, the customer shall notify us in writing without delay. The customer shall bear the expenses resulting from defending against such an action, to the extent that the customer cannot recover them from the third party.

10.5 If the customer does not meet its payment obligations, we shall be able to cancel the permission of resale and reuse, and demand that the customer inform us about the receivables assigned and their debtors, make all statements required for collection, hand over the corresponding documents and notify its debtors of the assignment. Taking back the conditional commodity shall not constitute a rescission of the contract. If we declare rescission, we shall be entitled to sell the conditional goods in the open market.

10.6 If the value of the securities exceeds the claims by more than 10%, we shall release our securities insofar upon customer's request at our option.

## 11. Place of performance, place of jurisdiction, applicable law

11.1 The place of performance for deliveries and payments shall be our place of business, in Rockledge, Florida.

11.2 For all legal disputes arising from the contractual relationship as well as concerning its coming into force and its effect, the court competent for our place of business shall have exclusive jurisdiction. However, we shall be entitled to assert our claims also at the domicile of the buyer.

11.3 This agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida.