

**I. Scope of application**

1. All offers and orders for good and services by AIRtronic GmbH (AIRtronic), including consulting services, shall be based on the present General Sales Terms and Delivery Conditions (GTC) in the absence of separate agreements in individual cases. This also applies insofar as these GTC are not subsequently explicitly referred to in the course of current business relations. Contradictory or deviating Terms and Conditions of Business of the Customer apply only if AIRtronic expressly recognizes them in writing. Contradictory or deviating Terms and Conditions of Business shall otherwise be contradicted.
2. These Terms and Conditions apply only towards entrepreneurs in terms of Section 14 of the German Civil Code insofar as the contract is part of company operations and also towards corporate bodies under public law and legal entities under public law in terms of Section 310 Paragraph 1 of the German Civil Code.

**II. Offers and Conclusion of Contracts**

1. All offers submitted by AIRtronic are subject to confirmation. Orders shall only be deemed accepted once confirmed in writing by AIRtronic. Order confirmation by AIRtronic is binding with regard to the content of the contract unless written objection is received by AIRtronic within eight days following the date of its order confirmation. Oral supplementary agreements require written confirmation by AIRtronic in all cases to be effective.
2. AIRtronic reserves all rights to an unlimited extent to service and product descriptions, cost estimates, drawings and other documents provided to the customer as part of the offer. These documents may only be made available to third parties with the prior agreement of AIRtronic. They must be returned immediately to AIRtronic if the order is not awarded to AIRtronic. The product descriptions and technical data (such as weights) contained therein and also in brochures, advertisements and other informational and advertising material are produced with care but do not constitute any guarantee as to quality in the absence of technical classification as such. Price lists are not binding.
3. Modifications due to technical reasons remain reserved even after conclusion of contract insofar as they have no significant effects on the agreed functionality of the object or service being supplied.

**III. Despatch and Transfer of Risk**

1. In the absence of any other agreement, sale by delivery to a place other than the place of performance is agreed (Sections 446 and 447 of the German Civil Code).
2. AIRtronic shall despatch goods at their discretion. Shipments shall be insured against breakage, transport and fire damage by AIRtronic at the customer's expense in the absence of any other written agreement.
3. The risk transfers to the customer as soon as the shipment has left AIRtronic's warehouse or another appropriate place of despatch, even if carriage paid delivery is agreed. If despatch of the goods is delayed by customer or their representative, the risk of destruction or deterioration of the goods transfers to the customer on the day the goods are ready for despatch.

#### **IV. Prices and Payment Terms**

1. AIRtronic prices exclude VAT, taxes, customs duty and other charges. . For gross order values below EUR 180, AIRtronic is entitled to impose a small quantity surcharge of EUR 20 plus VAT. Pro rata carriage costs, postage, packaging and insurance will be charged on all orders. AIRtronic is entitled to perform deliveries worth less than EUR 250 cash on delivery and to bill the charges. AIRtronic reserves the right to alter prices at any time for deliveries not performed in case of significant changes in the decisive basis of calculation but will, however, inform the Purchaser soon as possible in the absence of any agreement to the contrary.
2. Subject to any written agreement to the contrary, invoices are payable within 14 days following the invoice date without deduction. Bills of exchange and cheques count as payment only after they have been cashed. The customer is in arrears with payment if he does not pay following a reminder after the due date. At the latest, he is in arrears even without a reminder 30 days after the due date and receipt of invoice. In case of arrears, AIRtronic is entitled to claim default interest at 8 percentage points annually above the base rate as from the beginning of the arrears in accordance with Section 247 of the German Civil Code. Proof of higher damage caused by delay in performance remains reserved.
3. In case of payment default by the customer, AIRtronic is entitled to assert a right of retention for all outstanding goods and services or insofar to demand advance payment or security without prior notice regardless of any further legal rights. Furthermore, AIRtronic is entitled to declare all claims still pending immediately due for payment including those for which bills of exchange were accepted. The same applies if – after the confirmation of the order - AIRtronic becomes aware of facts which raise reasonable doubts about the ability of the customer to pay following order acceptance.
4. Offsetting towards AIRtronic is only permissible with claims which it recognizes or which are undisputed or legally established. Retention rights are excluded insofar as they are not based on the same contractual relationship and insofar as the exclusion does not relate to undisputed or recognized or legally established claims. The customer is only entitled to exercise a right of retention insofar as his counterclaim is based on the same contractual relationship. The customer has no right of retention due to partial deliveries in accordance with Section 320 Paragraph 2 of the German Civil Code. If a right of retention exists, payments may only be held back by the customer until his counterclaims have been settled to an extent which is appropriate in relation to the counterclaims.

#### **V. Delivery deadlines and delivery**

1. In the absence of express written agreements, the specification of dates for providing goods and services is non-committal. Bindingly agreed dates for goods and services begin at the earliest with receipt of the order confirmation by AIRtronic but not, however, before complete clarification and agreement with regard to all details of the order and especially the proper fulfilment of all obligations to collaborate on the part of the customer; in other words, not before the customer has provided all necessary documents, licences or approvals and also receipt of any agreed initial payment. Delivery dates are regarded as having been kept to if the object of delivery has left the warehouse or notice of their readiness for collection or despatch has been given before they expire. If all details, in particular technical details, of contractual obligations have not yet been clarified on conclusion of contract and arrangement of the delivery date, the delivery date shall be postponed correspondingly according to the delay.

2. Sale and delivery of goods shall be dependent on correct and punctual delivery to ourselves.
3. Partial deliveries not covered by the contract will be made by AIRtronic at the subsequent request of the customer, who is obliged to pay carriage costs. AIRtronic is only obliged to make partial deliveries which were not contractually agreed if each individual delivery is worth not less than a quarter of the total value of the delivery. The agreed delivery date for the overall order does not change should AIRtronic make partial deliveries.
4. Blanket orders are subject to an obligation to accept all services and deliveries of the overall contract within one year after the time of the first contractual delivery. Should the agreed services and deliveries not be accepted in full, it can be assumed that AIRtronic will claim compensation for the agreed and primarily for all the prices of the services delivered. Possible differences shall be charged retroactively. The dates of individual deliveries must be bindingly agreed at the time orders for special products or products not normally kept in stock are placed.
5. Partial deliveries are permissible to a reasonable extent.
6. AIRtronic strives to meet agreed dates for goods and services. If AIRtronic is in arrears with a delivery or other service, the customer is entitled to demand a lump-sum reduction to the value of 0.5% of the order value for every full week of arrears up to a maximum of 5% of the order value if the customer can credibly show that he has suffered losses as a result. Further compensation claims of the customer due to the delay of goods or services are excluded. This does not apply insofar as the delay is due to the infringement of a cardinal contractual obligation or if, in case of premeditation or gross negligence or injury to life, limb or health, liability for the delay is compulsory by law; this is not connected with any change in the burden of proof to the detriment of the customer.
7. The customer's legal right of withdrawal in case of delayed delivery or service remains unaffected but presumes that AIRtronic is responsible for the delay. At AIRtronic's request the customer is obliged to declare within a reasonable period whether he shall withdraw from the contract after expiry of the deadline due to the late delivery or service or whether he will insist on delivery or provision of the service.
8. Unforeseen disruptions (lack of materials, strikes) and other force majeure events as well as late delivery by our suppliers shall release AIRtronic from liability for the duration of the impairment. This also applies if these circumstances arise at upstream suppliers. AIRtronic shall reimburse any prepayments made by the customer insofar as AIRtronic is exempted from liability. Further compensation claims by the customer are excluded.
9. If despatch or delivery are delayed at the customer's request by more than a month following notification of readiness for despatch, the purchaser can be charged storage fees to the value of 0.5% of the price of the items of delivery up to a maximum of 5% for every further month or part thereof. Either party is free to provide proof of higher or lower storage costs.
10. AIRtronic only accepts returned goods by prior agreement. The return of parts made specifically for the customer is excluded. Goods returns without agreement shall be sent back to the customer at their expense plus a handling fee.

## **VI. Warranty**

1. The customer shall carefully check goods deliveries without delay after receipt and notify AIRtronic of any defects without delay in writing within seven working days of receipt at the latest. Hidden defects must be reported in writing within seven working days of their discovery. The customer may not refuse acceptance of deliveries because of minor defects.
2. In case of defects in the delivered item which were reported punctually and also in case of the acceptance of unknown defects the customer is initially entitled to rectification of defects or replacement delivery at AIRtronic's discretion. Necessary expenses such as wage, material, transport and call-out costs shall only be borne by AIRtronic insofar as these costs are not increased by the object of delivery or service being moved to a location other than the agreed place of delivery or service, unless this relocation corresponds to appropriate use. Replaced parts become the property of AIRtronic and must be returned to AIRtronic.
3. Insofar as AIRtronic does not succeed in rectifying the defect with an appropriate deadline set by the customer, or if rectification of defects or replacement delivery fail, the customer can demand a reduction in the purchase price or – insofar as AIRtronic's breach of duty is more than negligible – withdraw from the contract regardless of any compensation or expenses claims in accordance with Fig. VI.
4. AIRtronic's obligation to meet claims for material defects expires if the item of delivery or service is modified without authorization, specifically through the installation of third-party parts. The customer is only entitled to rectify a defect himself or to have it rectified by a third party and to demand reimbursement of the costs incurred from AIRtronic in urgent cases of danger to industrial safety or to prevent disproportionate damage. The same applies if AIRtronic is in arrears with the rectification of a defect. AIRtronic must be informed immediately in all these cases.
5. Warranty claims, including claims for losses and expenses due to defects, expire 12 months after delivery provided they are not caused by premeditation or gross negligence on the part of AIRtronic. This does not apply insofar as the law prescribes a longer mandatory expiry period as, for example, in accordance with Section 479 Paragraph 1 of the German Civil Code (Right of Recourse when Purchasing Consumer Goods). AIRtronic is liable for replacements or rectification of defects up to the expiry of the warranty period for the original object of service or delivery.
6. In case of warranty claims, customer payments may only be held back to a reasonable extent in relation to the defects which have occurred if the customer's claims are undisputed and legally established. If the warranty claim is unjustified, AIRtronic is entitled to demand compensation from the customer for expenses incurred.
7. Warranty claims are not justified for just minor deviations from the agreed quality, or in case of just minor impairment of usability, or for natural wear or damage which occurs after transfer of risk due to incorrect or careless treatment, inadequate maintenance, non-observance of the operating instructions, overloading, tests, the use of unsuitable materials, the influence of chemicals or electrolytic reactions, excessive strain or unsuitable operating materials or due to specific external influences (weather conditions, air pollution, impermissible electromagnetic influence) which are not provided for in the contract. Likewise, no warranty claims are permissible for inappropriate modifications or maintenance work undertaken by the purchaser or third parties or its consequences.
8. No warranty is assumed for the suitability of goods for a specific use if the concrete use application is not clear from written instructions enclosed with the goods or the suitability for a particular purpose is not

explicitly confirmed by AIRtronic in writing. In any case, the customer is himself obliged to check the suitability of AIRtronic goods for the intended purpose individually in advance.

9. AIRtronic or its vicarious agents ("Erfüllungsgehilfen") are liable for damage caused by infringement of secondary contractual obligations, bad advice, prohibited actions, culpable infringement or a duty to rectify defects or make subsequent deliveries or due to some other legal reason only in case of premeditation or gross negligence.

## **VII. General liability**

1. Notwithstanding the regulations in Fig. VI 2, AIRtronic is liable in accordance with statutory regulations insofar as the customer asserts claims for compensation or reimbursement of expenses which are based on premeditation or gross negligence or insofar as AIRtronic culpably infringes a cardinal contractual obligation as well as in cases of injury to life, limb or health.
2. Damage and expenses claims expire after twelve months insofar as AIRtronic is not accused of premeditated or grossly negligent infringement of an obligation or injury to life, limb or health. AIRtronic's liability for impossibility of performance is limited to 10% of the value of that part of the delivery which cannot be put into appropriate operation due to the impossibility and is otherwise limited to foreseeable, typically occurring losses. This also applies for customer claims in connection with measures for damage prevention (e.g. product recalls). Claims for expenses by the customer are limited in all cases to the interest which the customer has in fulfilment of the contract.
3. Any further liability for compensation or reimbursement of expenses other than provided for in these GTC is excluded regardless of the legal nature of the claim asserted. Insofar AIRtronic is specifically not liable for losses or damage which has not occurred to the object of service or delivery itself such as lost earnings and other financial losses suffered by the customer. The mandatory provisions of the Product Liability Act remain unaffected.
4. Insofar as AIRtronic's liability is excluded by these GTC, this also applies to the liability of AIRtronic's organs, vicarious agents and assistants ("Erfüllungs- und Verrichtungsgehilfen") and specifically employees.

## **VIII. Retention of title**

1. With goods deliveries, the goods supplied remain the property of AIRtronic until all claims arising from the business connection with the customer have been completely settled regardless of the legal foundation. For open accounts, the retained property counts as security for the respective balance request from AIRtronic at any time given.
2. For his part, the customer is obliged to sell on the unprocessed or processed goods supplied by AIRtronic only if retention of title is agreed upon with his customer.
3. Should individual provisions of these GTC or the respective contract be ineffective or impracticable, or should these GTC contain gaps, this does not affect the effectiveness of the remaining conditions and the contract. This does not apply if holding on to the contract would represent unreasonable hardship for a contractual party.

4. The parties to the contract undertake to replace the ineffective or impracticable provision with an effective or practicable provision which comes closest economically to the spirit and purpose of the ineffective or impracticable provision.
5. AIRtronic is entitled to take back the goods supplied in case of behaviour contrary to the contract by the customer, specifically payment arrears, impending cessation of payment, in case of unsatisfactory information on the customer's creditworthiness or financial situation, if enforcement proceedings or bill protests against him occur or if an application to open insolvency proceedings against the customer's assets has been made. The customer is obliged to hand over the goods.
6. The return or assertion of retention of title requires no withdrawal from the contract by AIRtronic. These transactions or the attachment of the goods supplied by AIRtronic do not represent withdrawal from the contract unless AIRtronic has declared this expressly in writing. AIRtronic is authorized to sell on or otherwise dispose of the goods delivered on their return. The proceeds of the sale shall be offset against the customer's obligations – less appropriate administrative costs.
7. In case of attachment of goods or other interventions by third parties, the customer must inform AIRtronic immediately in writing so that AIRtronic can bring an action in accordance with Section 771 of the Code of Civil Procedure. Insofar as the third party is not in a position to reimburse AIRtronic for the legal and out-of-court costs of a claim in accordance with Section 771 of the Code of Civil Procedure, the customer is liable for the resulting shortfall.
8. The customer is entitled to sell on the object of purchase in the normal course of business; however, he shall cede all claims to the value of the final invoice amount (including VAT) which arise from the reselling to his customer or third parties to AIRtronic regardless of whether the item of sale has been resold with or without further processing. The customer remains authorized to collect this claim even after cession. AIRtronic's entitlement to collect the claim itself remains unaffected. However, AIRtronic undertakes not to collect the claim as long as the customer meets his payment obligations from the proceeds collected, does not fall into arrears and specifically if no application is made to open settlement or insolvency proceedings and payments are not suspended. If this is, however, the case, AIRtronic can demand that the customer disclose the ceded claims and their debtors, gives all information, hands over all associated documents and informs the debtors (third parties) of the cession.
9. The processing or reforming of the item of sale by the customer is always done on behalf of AIRtronic. If the item of sale is processed together with other objects not belonging to AIRtronic, AIRtronic shall acquire co-ownership of the new item in the ratio of the value of the item of sale (final invoice amount plus VAT) to the other processed objects at the time of processing. Otherwise, the same applies for the item produced by processing as for the item of sale supplied conditionally.
10. If the item of sale is inseparably mixed together with other objects not belonging to AIRtronic, AIRtronic shall acquire co-ownership of the new item in the ratio of the value of the item of sale (final invoice amount plus VAT) to the other mixed objects at the time of mixing. If the mixing is done in such a way that the customer's item is to be regarded as the main item it is agreed that the customer shall transfer co-ownership to AIRtronic pro rata. The customer shall keep the solely or partly owned object for AIRtronic.
11. AIRtronic undertakes to release securities it is entitled to at the customer's request insofar as the realisable value of its securities exceed the claims to be secured by more than 10%; it shall be for AIRtronic to select the securities to be released.

**IX. Place of jurisdiction, place of fulfilment, applicable law and contract language**

1. The exclusive place of performance for both parties to the contract shall be Reilingen. The exclusive place of jurisdiction shall be Mannheim. AIRtronic is, however, also entitled to bring actions against the customer at his general place of jurisdiction.
2. The legal relations between AIRtronic and its customers shall be governed exclusively by the laws of the Federal Republic of Germany, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.
3. German is agreed as the contract language.

**X. Final provisions**

1. Should individual provisions of these GTC or the respective contract be ineffective or impracticable, or should these GTC contain gaps, this has no effect on the effectiveness of the remaining provisions and the contract as a whole. This does not apply if holding on to the contract would represent unreasonable hardship for a contractual party.
2. The parties to the contract undertake to replace the ineffective or impracticable provision with an effective and feasible provision which comes closest economically to the purpose and spirit of the ineffective or impracticable provision.