

Terms and conditions of delivery and payment

1. General

1.1 The present General Terms of Sale and Delivery exclusively apply to all contractual relationships with Hans SCHNEIDER Elektronik GmbH (hereinafter "SCHNEIDER") and to all products delivered and services rendered by SCHNEIDER to its customers. These Terms only apply if the customer is an entrepreneur in the sense of §14 BGB (German Civil Code), a legal entity of public law or a public special fund. They replace the previously valid General Terms and Conditions and also apply to future business relationships. Unless otherwise agreed, the General Terms of Sale and Delivery shall apply in the version valid at the time the customer places his/her order or, at least, in the version last communicated to him/her in text form. We hereby object to any contradicting indications of our contractual partner with reference to his/her terms and conditions – also with future effect. The customer's general terms and conditions shall not apply; however, as a preventive measure, we explicitly contradict them.

1.2 Any deviations from these General Terms of Sale and Delivery shall only apply after we have accepted and confirmed them in writing. They shall only be valid for one specific case without setting a precedent for the future. Our staff is not entitled to make deviating, oral, individual agreements with a customer.

1.3 Our General Terms of Sale and Delivery shall still apply even if there is no further indication of the exclusive validity of these Terms when the business relationship is continued.

1.4 The copyright in samples, design drawings, diagrams, wiring diagrams and similar information of tangible and intangible nature provided by us – also in electronic form – remains with us and such information must not be disclosed to third parties. Any publication and reproduction, also of parts thereof, shall only be permitted with our written consent.

1.5 All documents, such as illustrations, drawings, details on weights and dimensions and other information or technical data provided by the supplier merely identify the contractual object and are no guarantee in the legal sense. Any guarantee of specific properties shall only be valid after written confirmation.

2. Offer and conclusion of contract

2.1 Our offers are subject to change and non-binding with regard to price, quantity, delivery term and availability.

2.2 Our written order confirmation is decisive for the effective conclusion of the contract. In case of prompt execution of the order, the invoice and/or delivery note shall be considered the order confirmation. If the customer has objections with regard to the contents of the order confirmation, he/she shall immediately object to it. Otherwise, the contract will be concluded on the basis of the order confirmation.

3. Prices

3.1 The prices of SCHNEIDER valid at the time of delivery will be taken for calculation.

3.2 Prices are valid ex works and/or warehouse plus VAT and costs for freight, taxes, customs and packaging.

3.3 Discounts shall not be granted if the customer is in arrears with payment of earlier invoices.

3.4 Changes of fixed prices are also permitted if the agreed delivery time is changed for reasons beyond the control of SCHNEIDER.

3.5 All non-contractual costs and/or public charges shall generally be paid by the customer.

3.6 Costs for packaging and its disposal are completely at the expense of the customer; the same applies to the freight when returning the packaging material.

3.7 If the purchase price is in a currency other than euro (EUR), the customer bears the risk of deterioration in the exchange ratio of the currency compared to the euro (EUR) for the period from the date of conclusion of the contract until receipt of the payment by SCHNEIDER.

4. Payment

4.1 Our invoices must be paid net without any deduction within 10 days of the invoice date. Deviations from this are only valid after written confirmation.

4.2 Payments shall be considered received when we can access them.

4.3 Any right of retention on the part of the customer shall be excluded. The customer may only offset a claim against a counterclaim if it is undisputed and legally established. The customer shall only be entitled to any execution of a right of retention if his/her counterclaim is based on the same contractual relationship.

4.4 The customer shall be in default of payment if a reminder is sent after the due date, but at the latest 30 days after the due date and receipt of an invoice or similar payment request issued by SCHNEIDER. In case of default, the customer shall pay us default interest of 8 % above the respective base interest rate of the European Central Bank, subject to assertion of further damages by us. Furthermore, SCHNEIDER may forbid the customer a resale or incorporation of delivered goods and request their return or the transfer of indirect ownership to the delivered goods at the customer's expense.

4.5 If we do not receive a payment in due time, we shall make use of our statutory right of retention of non-delivery and declare that we suspend the fulfilment of the contract. If, after conclusion of the contract, circumstances arise that reduce the customer's creditworthiness, we retain the right to rescind the contract,

irrespective of due dates, and to request prompt payment or the return of already delivered goods. In this case, SCHNEIDER is entitled to request advance payment before delivering further goods.

4.6 Payment by cheque and bills of exchange requires SCHNEIDER's consent; the payment will be considered received only after they have been cashed. When accepting bills of exchange, the bank's discount and exchange charges are at the expense of the customer.

5. Delivery and dispatch

5.1 The delivery period begins when the order confirmation has been received and when all commercial and technical issues have been clarified and agreed by the contracting parties. The observance of the delivery periods presupposes the fulfilment of the contractual obligations by the customer, in particular the timely receipt of the documents and permits to be procured by the customer, including the approval of the design drawings as well as the observance of the agreed terms of payment. Any terms of delivery and deadlines refer to the date of completion. They shall be considered as complied with when readiness for dispatch is notified. If an order is subsequently changed by the customer, SCHNEIDER is entitled to extend the delivery period.

5.2 The customer shall deliver the parts to be provided by him free of charge to our factory and unencumbered by rights of third parties. The customer is solely responsible for their properties and suitability; any check by SCHNEIDER shall be excluded.

5.3 We reserve the right to change the design, shape and technical equipment, unless the contractually agreed functionality is impaired.

5.4 Unless otherwise agreed in a separate agreement, we owe a delivery item compliant with the law of the Federal Republic of Germany. In this respect, we reserve the right to change the delivery item – without consultation with our contractual partner – in such a way that it meets the modified legal provisions and official requirements. When executing export orders, we do not assume any guarantee that the delivery item will be accepted by the authorities abroad. This applies, in particular, when public law is changed after conclusion of the contract. Insofar as changes are agreed in specific cases, they will be carried out at the customer's expense and risk.

5.5 Otherwise, the costs for an alteration of the delivery item shall be allocated by mutual written agreement.

5.6 Delivery of plans and data to our contractual partners shall not be considered any transfer and/or licensing of copyrights. Plans and drawings remain our property – they shall be kept confidential and be returned to us on request.

5.7 We shall not be responsible for any delays in delivery or service due to force majeure or any event beyond our control, which makes the delivery much more difficult or impossible, even in case of bindingly agreed schedules and deadlines. In this case, we are entitled to postpone delivery and/or service for the period of the hindrance, in addition to an adequate start-up period. Force majeure (e.g. war, riot, natural catastrophes) includes strike, lock-out, official orders as well as other events beyond the control of SCHNEIDER, irrespective of whether they occur at SCHNEIDER, an upstream supplier or a sub-supplier.

5.8 All binding delivery terms, in particular deadlines, are subject to a punctual delivery of raw and external materials by third parties.

5.9 If the delivery is delayed by more than 6 months, our customer is entitled to withdraw from the contract in respect of the part not yet fulfilled after a reasonable grace period set by him in writing has expired. This shall not apply if the customer is responsible for the delay.

5.10 With his/her withdrawal, our customer waives any claims for damages due to delayed delivery.

5.11 We are entitled to partial deliveries and partial billing.

5.12 If dispatch and/or acceptance of the delivery item are delayed for reasons attributable to the customer, we will charge to him the costs caused by the delay, starting one month after notification of readiness of dispatch and/or acceptance.

5.13 If the customer cancels an order already confirmed by SCHNEIDER, we can request 10 % of the order value for the costs incurred by us for processing and lost profits. In addition to cancellation costs, SCHNEIDER is entitled to remuneration for customized equipment of the delivery item specifically produced for the customer; in this case, this will be made available to the customer on request.

5.14 In the event of a delay in delivery, the customer may rescind the contract after an adequate grace period has expired without result. If it is impossible to render the service, the customer is entitled to this right without setting a grace period. Instead of withdrawal, the customer may demand compensation for non-performance, provided the delay has been caused intentionally or through gross negligence by SCHNEIDER or his vicarious agents. In case of negligence, compensation for damages will be limited to the damage to be proven by the customer and foreseeable at the time of conclusion of the contract, but maximum 0.5 % for every full week of delay, however, maximum 5 % of the invoice value of the delayed deliveries and services.

5.15 If acceptance is delayed, the customer shall pay compensation for damages of 30 % of the order value. The customer may prove that a lesser amount of damage has been incurred. We are entitled to prove that a higher amount of damage has been incurred.

6. Transfer of risk

6.1 Unless otherwise agreed, SCHNEIDER specifies shipping means and dispatch route as well as transport company and freight carrier, excluding any liability. On request, the goods may be insured at extra cost against risks of breakage, fire, theft and transport damage.

6.2 SCHNEIDER is entitled to insure the delivery item at the customer's expense against theft, breakage, fire, water and other damages, unless the customer has demonstrably taken out the insurance himself/herself.

6.3 The risk is transferred to the customer when the delivery item leaves the supplier's factory, even in case of partial deliveries. This is also valid for freight-paid delivery.

6.4 The customer is bound to the terms of the freight company and the insurance company contracted for shipping. Even if the transport insurance is taken out by SCHNEIDER, the transport risk remains with the customer.

6.5 In the event of damage in transit, the customer shall immediately arrange for a statement of the facts with the responsible authorities before accepting the delivery and shall notify SCHNEIDER immediately.

6.6 If the delivery item is defective, it shall nevertheless be accepted by the customer, irrespective of the rights the customer is entitled to.

7. Retention of title

7.1 SCHNEIDER retains the title to the delivery item until all payments resulting from the delivery contract have been made.

7.2 If the customer is in default of payment or in the event of the customer's conduct contrary to the contract terms, SCHNEIDER is entitled to take back the purchased item. Taking back the item includes withdrawal from the contract.

7.3 If the purchased item is inseparably combined with other items and objects not belonging to SCHNEIDER, we acquire the co-ownership in the new item in proportion of the value of the purchased item (final invoice amount plus VAT) to the other objects at the moment of combination. If the combination is done in a way that the customer's item can be considered the main item, it shall be deemed agreed that the customer assigns to us pro-rata co-ownership. The customer shall keep the resulting sole ownership or co-ownership for us.

7.4 The customer assigns all claims resulting from the sale and delivery of goods, in which SCHNEIDER has ownership rights, by way of security to SCHNEIDER to the extent of the ownership of SCHNEIDER in the sold and delivered goods. The customer also assigns to us the claims arising from the incorporation of the purchased item in a third party's property to secure our claims against him/her. Assignment takes place in advance. We accept the above-mentioned assignment.

7.5 The customer shall notify SCHNEIDER immediately of any impairment of its rights to the goods in its ownership, in particular seizures and other requisitions. If the customer does not completely fulfil his/her duties towards SCHNEIDER, the customer shall return the goods to SCHNEIDER on request without SCHNEIDER withdrawing from the contract.

7.6 When a request to open insolvency proceedings concerning the assets of the customer is lodged, SCHNEIDER is entitled to withdraw from the contract and to request the immediate return of the purchased item.

7.7 If the value of the securities exceeds the value of our claims against the customer by more than 20 %, we shall release the securities we are entitled to the relevant extent on the customer's request and at our choice.

7.8 The parts replaced during repair and service work shall become the property of SCHNEIDER. Deviating agreements in this regard must be agreed in advance in writing between the parties.

8. Claims for defects

8.1 Any data listed in the specifications regarding the performance of the contractual object are approximations of descriptive nature. They are no guarantee of a quality in the sense of §434 BGB (German Civil Code) unless being marked and confirmed in writing as "Guaranteed quality".

8.2 SCHNEIDER does not assume any warranty for deliveries and services by upstream suppliers if they have been contracted at the request of the customer to carry out orders. In these cases, the customer is entitled to warranty claims directly against the aforementioned parties. SCHNEIDER shall therefore assign warranty claims to the customer.

8.3 Irrespective of statutory limitation periods, a warranty claim is null and void if the customer does not comply with his/her inspection and complaint obligations. Visible defects must be reported in writing immediately, at the latest within 5 days after receipt of the goods. Hidden defects must be notified at the latest 10 days after discovery, whereby our receipt of the complaint is decisive with regard to timeliness. Defective goods shall be sent to us on request.

8.4 Provided there is a defect in the purchased item for which SCHNEIDER is responsible, the customer shall grant us an adequate deadline for supplementary performance to claim his/her rights. SCHNEIDER reserves the right to choose the type of supplementary performance in the event of a defect. In the event of a complaint, SCHNEIDER is entitled, at our choice, to have the defective part and/or device returned to us for repair and to return it afterwards to the customer, to repair the defective part on site or to deliver a replacement part. If delivery of a replacement part or repair fails, the customer may either request reduction of the

purchase price or withdraw from the contract after an adequate grace period to be set in writing has expired. If the customer has combined the goods delivered by us with other objects, we are not liable for the costs of mounting and dismounting the defective part nor for mounting the subsequently delivered replacement part.

8.5 Any warranty shall be excluded in case of improper or inadequate use, incorrect mounting or maintenance, improper commissioning of the delivery item by the customer or third parties. Furthermore, warranty shall be excluded in case of natural wear, excessive stress, inadequate operating material, use in areas not specified in the data sheets and mounting instructions, improper storage (outside a range of 10-50 °C and/or 40-70 % relative humidity), replacement tools or other damage-causing circumstances for which SCHNEIDER is not responsible as well as use of the products under special conditions, in particular the permanent influence of chemical substances, gases, vapour, sea water, liquids, electrical and electrochemical surroundings, overload, use of inadequate accessories or replacement parts, materials, combination with external parts or systems, etc., or non-compliant with admissible operating parameters or conditions of use.

8.6 The customer is responsible for compliance with maintenance and confirmation intervals. Any damage claims resulting from tort are excluded, unless the damage has been caused intentionally or through gross negligence. This shall also apply to our vicarious agents.

9. Liability

9.1 Our liability for breach of contractual duties as well as for tort is limited to intent and gross negligence. Limitation of liability also includes the personal liability of our legal representatives, employees, staff, workers, representatives and vicarious agents.

9.2 In any case, the liability of SCHNEIDER is limited to the customer's positive performance interest (order value). Any claims for compensation of direct or indirect damage and consequential damage are always excluded, except in the case of intent or gross negligence. The customer will have to provide the relevant proof.

9.3 Our liability is limited accordingly for external products or defects attributable to such products. Insofar, we are also entitled to assign our claims against the supplier to the customer to relieve us of our obligations resulting thereof. The customer may not assign any claims arising from warranty and product liability. Such an assignment would be ineffective with regard to us.

9.4 For electrical and pneumatic drives and controls, VDE and VDMA regulations exclusively apply. Maintenance and confirmation intervals have to be complied with. We are not liable for any damage not directly caused in the delivery item itself (e.g. personal and material damage and financial losses of any type, direct or indirect consequences, lost profits, reject goods, loss of production, production downtime costs), unless there is a culpable violation and SCHNEIDER or its organs are accused of intent, gross negligence or malice.

9.5 In case of culpable breach of essential contractual duties or obligations, we are also liable in case of gross negligence of non-management staff as well as, in case of slight negligence, only for compensation of the contract-typical, reasonably foreseeable damage. In all cases, compensation for damages is limited to the coverage of the business liability insurance. The coverage will be disclosed in the contract negotiations. The above-mentioned provisions also apply to liability due to defects of the delivery item, insofar a liability for personal or material damages for privately used objects is possible according to the product liability act. Any further claims shall be excluded.

9.6 If SCHNEIDER components are integrated into on-site equipment, the plant manufacturer shall ensure compatibility. Any compatibility issues are beyond the control of SCHNEIDER.

9.7 Any liability for normal wear shall be excluded.

10. Software use

10.1 The software provided by SCHNEIDER is subject to our copyright. The customer is only granted a non-exclusive right of use for the intended purpose as specified in the contract. Any use on more than one system is not admissible. Translation, duplication, revision or transformation of the object code into source code is prohibited without written consent and will be punished. SCHNEIDER retains all rights. Sublicenses are not allowed.

11. Limitation period

All claims of the customer – for whatever legal reasons – become time-barred after the general period of limitation of 36 months as counted from the beginning of the statutory limitation period according to §199 and §195 BGB (German Civil Code), unless the delivery item is an object that, based on its usual purpose, has been used for a building and has caused this building to be defective. In this case, the statutory period shall apply from the beginning of the statutory limitation period.

12. Miscellaneous

12.1 For both parties, Frankfurt am Main will be the place of performance.

12.2 This agreement is exclusively governed by German Law with exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG), even if the customer's headquarters are abroad.

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