General Terms and Conditions of Sale
Hailo-Werk Rudolf Loh GmbH & Co. KG
January 2021

§ 1 General Terms, Scope of Application

(1) These General Terms and Conditions of Sale and Delivery (hereinafter: GTCS) shall apply exclusively to offline sales to entrepreneurs within the meaning of Section 14 of the German Civil Code (BGB), legal entities under public law or a special fund under public law. For purchases via our online stores, the respective General Terms and Conditions (GTC) deposited there shall apply.

(2) These Terms shall apply in particular to the sales and/or delivery of movable goods ("Goods") irrespective of whether such Goods are manufactured by ourselves or procured from suppliers (§§433, 651 of the German Civil Code (BGB)). Except where otherwise agreed the Terms in force at the time the Purchaser places his order, alternatively the version last provided to the Purchaser in text form, shall constitute the legal framework for all future purchases of a similar kind without us being required to indicate their application for each individual transaction.

(3) Any terms of the Purchaser which contradict or deviate from the terms and conditions below shall only apply where we have expressly agreed to the same in writing. Our consent is required without exception, for example where, on notice of the Purchaser's general terms and conditions, we execute the supply without reservation.

(4) Material declarations and notifications to be submitted by the Purchaser after the contract has been concluded (e.g. the setting of deadlines, notification of defects, notices of rescission or deductions) shall only be valid when submitted in writing or in text form. Mandatory form requirements and other verifications to include the authority of persons acting shall remain unaffected.

(5) Insofar as is necessary for the handling of our business we are entitled to store and process the Purchaser's data in electronic form to the extent permitted by data protection laws.

§ 2 Contractual Declarations

(1) The range of products and services we offer is subject to change without notice. This also applies where we have provided the Purchaser with catalogues, technical documentation (e.g. drawings, plans, calculations, references to DIN Norms), other product descriptions or documents – including in digital form.

(2) The purchase order placed by the Purchaser shall be deemed a binding offer. Except where otherwise provided in the purchase order the order shall be capable of acceptance for a 2 week period beginning on the date of receipt of order.

(3) Acceptance will be communicated in text form (e.g. the order acknowledgement) or will be deemed on supply of the Goods to the Purchaser.

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(4) Where reference is made to trade terms in accordance with the International Commercial Terms (INCOTERMS), the INCOTERMS 2020 shall apply.

§ 3 Delivery, Risk, Delay in Acceptance, Part Deliveries

(1) Except where otherwise agreed the Goods will be supplied EXW our warehouse which is also the place of performance for delivery of the Goods and for any supplementary performance. At the request and the expense of the Purchaser the Goods will be shipped to another destination (sale by delivery to a place other than the place of performance). Except where otherwise agreed we shall be entitled to determine the method of shipment (in particular the shipping company, shipping route and packing) and/or prepare the necessary documentation for the export of the Goods on behalf of the Purchaser.

(2) The risk of accidental loss and deterioration of the Goods shall transfer to the Purchaser on delivery at the latest. In the event of a sale by delivery to a place other than the place of performance the risk of accidental loss and deterioration of the Goods as well as the risk of delay shall pass to the Purchaser on surrender of the Goods to the shipper or freight forwarder or any other person instructed to undertake shipment.

(3) Where the Purchaser is in delay of acceptance of the Goods or fails to undertake acts of assistance or where delivery is delayed for other reasons for which the Purchaser is responsible, we shall be entitled to demand compensation for damages incurred as a result including additional expense (e.g. storage costs).

(4) In relation to make and hold orders approximately the same quantities shall be called off each month except where otherwise agreed in writing. The entire order quantity shall be deemed called off one month after the expiration of the call off deadline, or in the absence thereof twelve (12) months after the contract date. Where the Purchaser fails to assign goods ordered to a certain delivery within one month after the expiry of the deadline for such assignment, or in the absence of an agreed deadline, within one month of our request for such assignment, we reserve the right to assign the goods at our discretion and deliver the same.

(5) Supply of goods or services by installment is permitted except where unreasonable for the Purchaser.

§ 4 Act of God, Frustration of Contract, Reservation of Performance

In the event of an act of god which affects either ourselves or our suppliers, we are entitled to suspend performance of our obligation to deliver for the duration thereof. The same shall apply in the event of a shortage of energy, raw materials, strikes, enactments passed by the authorities or interruptions of operations or transit. Where there is a considerable change in the circumstances prevalent at the formation of the contract which renders performance unreasonable, we reserve the right to rescind the contract. The performance of our obligations is subject to their compliance with national and international trade legislation, sanctions and embargos.

§ 5 Term of Delivery, Delay

(1) The term of delivery shall be agreed on a case by case basis alternatively we will advise the delivery term on order acceptance.

(2) The commencement of the delivery term quoted shall be subject to clarification of all technical matters and proper and timely performance by the Purchaser of its obligations.

(3) Where we are unable to fulfill binding delivery dates for reasons for which we are not responsible (non-availability of performance), we shall notify the Purchaser without delay and at the same time inform the Purchaser as to the new estimated delivery date. Where performance is still not possible by the new delivery date we are entitled to rescind the contract in part or in whole. For the purposes of this clause non-availability of performance shall include the failure of our suppliers to supply us on time despite us having placed a corresponding order to cover the transaction and neither our supplier or ourselves are at fault or where, in isolated cases, we have no procurement obligation under the contract.

(4) Where we fail to deliver upon an agreed delivery date and such failure is caused by an act or omission on our part the Purchaser shall grant us an extension in text form of not less than 4 weeks. Where upon the expiry of the grace period, delivery is still not forthcoming and the Purchaser desires to rescind the contract or demand damages in lieu of performance, the Purchaser shall prior thereto set a final and reasonable deadline in text form expressly indicating his intention. The Purchaser is obliged at our request to declare within a reasonable period whether he shall rescind the contract due to the delay in delivery and/or demand damages in lieu of performance or insist upon performance.

(5) Purchaser's rights in accordance with clause 9 of these Terms and our statutory rights, in particular with regard to the preclusion of our performance obligation (e.g. where performance or supplementary performance is frustrated or becomes unreasonable) shall not be affected by the aforesaid.

§ 6 Price and Payment Terms

(1) Our prices are EXW (ex works) our warehouse. Except where otherwise agreed they do not include packing, insurance, freight and VAT.

(2) In the event of a sale by delivery to a place other than the place of performance the Purchaser shall bear the shipping cost from the place of storage and, where requested by the Purchaser, the cost of insurance. The Purchaser shall bear all customs duties, charges, taxes and any other public dues, including where we undertake customs clearance on behalf of the Purchaser.

(3) The Purchaser shall remit payment of the agreed price without deduction within 14 days of receipt of invoice and delivery of the Goods. We reserve the right at all times, including during an ongoing business relationship, to render performance subject to pre-payment of the purchase price. Any such reservation will be notified to the Purchaser on confirmation of order.

(4) Where a payment term has been agreed the Purchaser shall be deemed in default of payment on its expiry. Interest shall accrue on the price during default at the statutory rate. We reserve the right to claim additional compensation for payment default. Interest claims against persons acting in the course of their business in accordance with § 353 of the German Commercial Code (HGB) shall remain unaffected by the aforesaid.

(5) The Purchaser may only set off undisputed counterclaims or counterclaims against which we have no further recourse to appeal. The Purchaser shall only be entitled to rights of retention in so far as these are based

on the same legal transaction. Where the Goods supplied are defective, Purchaser's rights under § 8 (6) below shall remain unaffected.

(6) Where the delivery or performance date is more than 3 months after the contract date we are entitled upon timely notification to the Purchaser and prior to delivery or performance to adjust the price in such a manner as is necessitated by any general price development beyond our control (e.g. advance performance, exchange rate fluctuations, currency regulations, customs duties changes). In relation to framework agreements with a price clause the three month period shall begin to run upon the effective date of the agreement. This shall not apply to metal prices and surcharges to cover metal price increases which are which are set out in the order acknowledgement and are binding.

§ 7 Retention of Title

(1) We retain title to the Goods until payment of all current and future claims under the contract and any ongoing business relationship (Secured Goods) have been received.

(2) Goods which are subject to a reservation of title shall not be mortgaged or assigned by way of security to third parties prior to receipt of full payment. The Purchaser shall inform us in text form without delay where an insolvency application has been made or where levies of execution (attachment orders) are made against the Secured Goods.

(3) Where the Purchaser is in breach of his contractual obligations, in particular where he fails to remit payment of the price, we are entitled to rescind the contract subject to the statutory requirements and to demand the surrender of the Goods based on our reservation of title and the rescinded contract. Where the Purchaser fails to remit payment of the purchase price we are only entitled to enforce those rights where, prior thereto, we have set the Purchaser a reasonable deadline to remit payment or the setting of such a deadline is not required legally.

(4) The Purchaser is authorised to resell or process the Secured Goods in the ordinary course of his business. In such circumstances the following shall apply:

(a) The reservation of title shall extend in its full value to products which originate from the processing, mixing or combining of the Secured Goods. Where after the processing, mixing or combining of the Secured Goods with third party goods third party property rights remain in existence, we shall acquire joint title to the resulting products in proportion to the invoice value of the Secured Goods which have been processed, mixed or combined. The originating product shall otherwise be subject to the same terms which apply to the Secured Goods as set out aforesaid.

(b) Claims against third parties based on the resale of the Secured Goods or the resulting products are hereby assigned by the Purchaser to us by way of security in the value of our co-ownership as set out in the preceding paragraph (a). We accept such assignment. Purchaser's duties as set out in § 5(2) shall apply to assigned claims accordingly.

(c) The Purchaser shall remain authorised to collect payment in addition to ourselves. We undertake not to collect payment for as long as the Purchaser complies with his payment obligations to us, there is no deficiency

in his performance capability and we have not exercised our rights under § 7 (3) aforesaid. In such circumstances we can request the Purchaser to inform us of the assigned claims and their debtors, to provide us with any information required to collect payment and corresponding documentation and to inform the debtors of the assignment. Furthermore in such circumstances we are entitled to revoke Purchaser's authorisation to process and resell the Secured Goods.

(d) If the value of the securities provided to us exceeds our claims by more than 10 percent, we undertake to release securities of our choice on demand by the Purchaser. Where we assert a claim based on reservation of title this shall only be deemed to be rescission of the contract as well where we expressly declare the same in writing beforehand.

(5) In the event that the above retention of title clauses are void or unenforceable according to the law of the state/country in which the goods are situated, the collateral security which corresponds to the retention of title in that state/country is deemed to be agreed.

§ 8 Purchaser's Rights in the case of Defects

(1) The Goods supplied by us correspond to the German regulations and standards currently in force. We give no guarantee that the Goods comply with other national regulations. Where the Goods are to be put into operation overseas it is the responsibility of the Purchaser to ensure that the Goods are in conformity with the relevant legal requirements and standards and where required to make appropriate adaptations.

(2) Purchaser's rights regarding material defects or defects in title (including wrong or short delivery, improper installation or faulty installation instructions) are governed by the statutory provisions except where provided otherwise below.

(3) Purchaser's claims under warranty are subject to compliance with his statutory obligation to inspect incoming Goods and to notify us of any defects discovered (§§377, 381 of the German Commercial Code (HGB)). Where a defect is discovered on or subsequent to inspection, the Purchaser must inform us without delay in text form, in any event no later than 28 days after delivery. Timely dispatch of notice is sufficient to preserve Purchaser's rights under warranty. Irrespective of the aforesaid inspection and notification obligation the Purchaser is under an obligation to notify us of obvious defects (including wrong and short delivery) without delay in text form, in any event no later than 28 days after delivery. Timely dispatch of notice is sufficient to comply with the notice requirement. Where the Purchaser fails to carry out the inspection and/or notify us of a defect, we shall not be held liable for such defect.

(4) Where the Goods delivered by us are defective we shall at our option deliver a replacement or remedy the defect (supplementary performance). The Purchaser shall grant us a reasonable period of not less than 15 working days to carry out the same. The Purchaser shall return the defective Goods for testing. Where we deliver a replacement the Purchaser shall return the defective Good in accordance with the statutory provisions. Supplementary performance does not include the disassembly of the defective object nor does it include its reassembly provided that we were not originally under a duty to assemble the Goods supplied.

(5) We bear the cost of testing defective Goods, remedying the defect or delivering a replacement including transport, travelling expenses, labour and material cost and where appropriate we shall reimburse removal and

assembly costs provided that the Goods are actually defective and that the costs are not increased due to the subsequent transportation of the Goods to a location other than the original shipment location - unless the purpose for which the Goods are intended requires the same. Where the Goods are not actually defective we reserve the right to claim reimbursement of the expenses incurred (in particular inspection and transport costs) from the Purchaser except where the Purchaser was unable to identify the absence of defect.

(6) In the event that we are not in a position to remedy the defect or deliver a replacement the Purchaser is entitled to rescind the contract or to demand a reasonable reduction in the purchase price. Rescission of the contract is only permissible where the Purchaser prior thereto sets a final and reasonable deadline in text form expressly indicating his intention.

(7) Any claims of the Purchaser for compensatory damages or reimbursement of wasted expenditure based on defective Goods are subject to the provisions set out in § 9 below. Otherwise they are excluded.

§ 9 Damages

(1) Except where otherwise provided in these Terms including the following provisions we are liable for contractual and non-contractual breaches in accordance with the applicable statutory provisions.

(2) We are liable in damages for any claim irrespective of its legal basis where we have acted with willful default or in a gross negligent manner. For claims based on negligence we are liable in accordance with the statutory provisions as follows:

(a) Liability for damages based on personal injury are not subject to any limitation of liability.

(b) Liability for damages based on breach of a material term of the contract are limited to compensation for damages which were foreseeable and are ordinarily incurred; a material term of the contract is any term which is characteristic of performance of the contract and upon which the Purchaser could normally rely.

(c) Liability for any other damages, other than those incurred by the Goods themselves, to include without limitation loss of profit or any other pecuniary loss incurred by the Purchaser, is excluded.

(3) The limitations of liability set out in § 9 (2) aforesaid shall apply to breaches of all persons for whom we are legally responsible. They do not apply where we have given a guarantee as to the quality of the Goods and in relation to claims of the Purchaser made under the Product Liability Act (Produkthaftungsgesetz).

(4) In the event of a breach which does not render the Goods defective the Purchaser shall only be entitled to terminate or rescind the contract where we are responsible for the breach. Notice of termination or rescission must be in text form. Otherwise the statutory provisions shall apply.

(5) Any claim made by the Purchaser for reimbursement of wasted expenditure shall be subject to the aforesaid.

§ 10 Limitation

The limitation period for claims based on the supply of defective Goods and services as well as for claims for damages is one year from the date of delivery. The limitation period aforesaid shall not apply in relation to claims based on wilful default, gross recklessness, or to personal injury claims and to claims under product liability laws nor shall the limitation period apply where longer limitation periods are prescribed by law.

§ 11 Intellectual Property Rights, Copyright

(1) The supply of Goods or works (to include without limitation quotations, drawings and other documentation) shall not be deemed to confer the grant of a licence to use any of our intellectual property rights or copyright. Any such grant of licence shall be subject to a separate agreement.

(2) In the event that the Goods supplied violate third party intellectual property rights we shall be entitled at our option to obtain the required intellectual property rights or a licence to use the same within a reasonable period or to supply the Purchaser with an acceptable alternative.

§ 12 Non Disclosure

(1) During the term and after termination of this contract the parties shall not disclose to third parties or use for their own business aims without authorisation any confidential information (to include without limitation quotations, documents, samples, sketches, business intentions, personal data, problems, data and/or problem solutions, or any other know-how of any kind as well as information visually gained by the inspection of plants or facilities) received from the other party or of which the parties became aware by reason of their collaboration. The aforesaid non-disclosure obligation shall also apply in relation to the existence and content of this contract. The parties shall also impose this obligation upon their employees.

(2) This non-disclosure obligation shall not apply to information which

- was already known to the other party prior to the contract ;
- was legally acquired from third parties;
- is or comes into the public domain or is the state of the art ;
- cleared for disclosure by the disclosing party.

(3) Upon termination of the contract the parties shall return unrequested all confidential documents and information of the other party in tangible or non-tangible form or at the request of the other party destroy the same or insofar as technically reasonable irrevocably delete the same.

(4) The parties shall comply with data protection law requirements, in particular where access is granted to the premises or hardware or software of the other party. They shall undertake suitable measures to ensure that vicarious agents and third parties acting on their behalf shall also comply with the same.

§ 13 Choice of Law, Jurisdiction

(1) These Terms and all legal relations between us and the Purchaser shall be governed by the laws of Germany excluding the United Nations Convention on the International Sales of Goods (CISG).

(2) For Purchasers who are acting in the course of a business within the meaning of the German Commercial Code, public law entities or federal special funds and whose principle place of business is situated in the European Union all disputes arising directly or indirectly out of these Terms shall be resolved before the courts in D-35708 Haiger, Germany. We reserve the right to sue the Purchaser at the place of performance or before the courts of local jurisdiction situated at the Purchaser's place of business. Overriding statutory provisions in particular rules providing for exclusive jurisdiction of a particular court, shall remain unaffected.

For Purchasers whose principle place of business is situated outside the European Union all disputes arising out of these terms and conditions shall be finally settled in accordance with the Rules of the German Institution of Arbitration e.V. (DIS) without recourse to the ordinary courts of law. The place of arbitration shall be Frankfurt am Main, Germany.

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