International Terms and Conditions
of
HABERLAND FRÄSTECHNIK GMBH
HABERLAND ZERSPANUNGSTECHNIK GMBH

Version06/2022

Section 1 Scope of Application

(1) These International Terms and Conditions are applicable to all present and future transactions between HABERLAND FRÄSTECHNIK GmbH und der HABERLAND ZERSPANUNGSTECHNIK GmbH (hereinafter referred to as "we" or "us") and customers who have their place of business outside the Federal Republic of Germany. This is also the case when we do not expressly refer to the International Terms and Conditions again in follow-up business transactions with the customer.

(2) Only these International Terms and Conditions apply. The customer's Terms and Conditions shall under no circumstances become part of the contract. This is the case even in the event of our knowledge of such or if we do not explicitly contradict their applicability again, unless their applicability is explicitly agreed in writing. These International Terms and Conditions shall also apply in place of any Terms and Conditions of the customer (e.g. Purchasing Terms and Conditions) even if the latter stipulate that acceptance of the order shall constitute unconditional acceptance of the customer's Terms and Conditions.

(3) These International Terms and Conditions shall not apply if the customer is a consumer within the meaning of Section 13 of the German Civil Code (BGB).

(4) These International Terms and Conditions apply to contracts of sale, contracts for work and services, and contracts for the provision of services. The term 'subject of the contract' encompasses goods, work and services – in particular repair and processing services – which we provide under the contract.

(5) All offers, deliveries and services on our part shall be effected solely on the basis of these International Terms and Conditions. If we assume additional or more extensive obligations, this shall not affect the validity of these International Terms and Conditions in other respects.

Section 2 Offer and Conclusion of Contract

(1) Our offers are always conditional and non-binding, unless they have been explicitly designated as binding or contain a specific acceptance period.

(2) If a purchase order placed by the customer is to be qualified as an offer in accordance with Art. 14 CISG, we may accept it within two weeks of receiving the purchase order. If the purchase order diverges from our proposals or our offer, the customer shall set out the purchase order in writing and mark the deviations.

(3) If the order is place electronically, we shall usually confirm receipt of the purchase order. This confirmation of receipt merely documents the receipt of the purchase order, and shall not constitute a binding acceptance (order confirmation). However, the order confirmation may be linked to the confirmation of receipt.

(4) The contract shall come into effect by virtue of our order confirmation. Our order confirmation shall govern the entire content of the contract. This shall also apply, subject to short-term and written objections raised by the customer, if it diverges from declarations made by the customer.

(5) As a rule, we send our order confirmations electronically. In addition, we may also send order confirmations in text form or in writing. In the absence of a confirmation of order, the contract shall become effective upon the execution of the order.

(6) We reserve the right to make technical modifications as well as changes as to the shape, colour and/or weight within the scope of reasonableness, unless the usability for a contractually agreed purpose, where necessary, requires exact conformity. We reserve the right to make changes and improvements with regard to the construction design, use of material and finish, insofar as this does not impair the contractually stipulated or customary use of the subject of the contract. If in the customer's view the goods to be delivered shall not only be suitable for customary use or if the customer assumes a certain suitability of the use of the goods or a certain quality or if the customer plans to use the goods for an unusual purpose, under increased stress or involving a particular risk to life, limb, health or the environment, it is obliged to point out to us the intended use or relevant expectation in writing prior to concluding the contract.

(7) We shall retain property rights and copyright in respect of estimates, drawings and other documents. Such documents may not be disclosed to third parties or used for advertising purposes without our express prior written consent. We are entitled to request their surrender by the customer at any time. This shall only apply insofar as the transfer of ownership is not expressly the subject matter of the contract.

(8) Any amendments, modifications or subsidiary agreements to the contract require the written form or our written confirmation to take effect. Our employees, commercial agents or other sales agents are not authorised to make subsidiary agreements or give any representations or guarantees that go beyond the stipulated content of the contract. Nor are they authorised to dispense with the requirement of an order confirmation.

Section 3 Prices and Payment

(1) Prices apply ex works, exclusive of packaging, loading, transportation and possibly customs, in euros, unless otherwise stated in the order confirmation. The customer warrants that all requirements for a value-added tax-free delivery, from a German perspective, shall be met. Insofar as we do not receive verification of the tax-free delivery or if we have to pay value-added tax due to the delivery modalities or due to circumstances from the customer's sphere, the customer shall indemnify us without limitation, irrespective of any further claims. The indemnity is granted by the customer, waiving any further conditions or other objections, in particular waiving any objection of limitation, and includes compensation for our expenses incurred. With regard to any additional charges, reference is made to the provisions laid down in Section 4.

(2) Unless otherwise indicated in the order confirmation, the invoice amount shown shall be due for payment upon issue of the invoice. In the event of any delay in payment by the customer, the customer shall reimburse us for any costs incurred in connection with extrajudicial and judicial legal proceedings, as well as interest at a rate of 9 percentage points above the base rate of the Deutsche Bundesbank. The customer shall be in default if it does not pay within 7 days from receipt of the invoice.

(3) If several claims are due, we reserve the right to use a payment, instalment or deposit made by the customer in order to first discharge the claim that offers the least security, among several claims offering equal security that which is the oldest, and concerning claims of the same age we reserve the right to discharge all these claims partially at the proportionate rate.

(4) We shall not be obliged to accept bills of exchange or cheques. If they are accepted, this shall only be done subject to clearance of the funds against reimbursement of all fees on account of performance. We shall likewise not be obliged to present a bill of exchange or cheque in due time or to lodge protests.

(5) The customer shall only be entitled to offset its debt against claims if its counterclaims have been established as final and conclusive or are ready for decision, beyond that, also if the counterclaims have been acknowledged by us or if we have not disputed them. The customer may only exercise a right of retention if its counterclaim is based on the same contractual relationship.

(6) We reserve the right to adjust our prices accordingly if there are any increases in costs (in particular due to collective agreements or changing prices for materials) after concluding the contract.

(7) Additional deliveries and services agreed after the confirmation of order shall be invoiced separately. Partial deliveries or partial performances shall be paid within the deadlines stated in the order confirmation or invoice or rather in these Terms and Conditions.

(8) In the event of failing to pay within the periods stated or if circumstances become known to us after concluding the contract that may adversely affect the customer's creditworthiness, all our claims shall immediately become due for payment. We shall then be entitled to require advance payment or the provision of security for any outstanding deliveries and performances and, after an appropriate period of grace, to withdraw from the contract or claim compensation for non-performance and, without prejudice to the aforementioned rights, to take back the goods delivered subject to retention of title at the customer's expense. If partial payments have been agreed and the customer is in default, in spite of an appropriate

period of grace, we shall be entitled to withdraw from the contract. The customer will be charged for the services provided up to that point.

Section 4 Transfer of Risk, Packaging, Dispatch

(1) Unless otherwise stated in the order confirmation, delivery is agreed to be "ex works" (EXW in accordance with Incoterms® 2020). The same shall also apply for any partial deliveries and partial performances that we provide, insofar as we are entitled to provide partial deliveries and partial performances.

(2) Unless otherwise agreed, the cost of packaging, dispatch, payment transactions, customs fees, etc. shall be invoiced to the customer separately. We shall select the type of packaging and the method of dispatch at our reasonable discretion. The return of single-use packaging requires a specific agreement. However, the customer is obliged to return reusable packaging at its own expense.

(3) In the case of repairs carried out at our factory, the costs of packaging, postage, payment processing, customs duties, etc. incurred in connection with transport to the factory shall, unless otherwise agreed, be invoiced to the customer separately.

(4) Unless otherwise agreed, the customer shall bear the risk of loss or damage in transit. The goods shall only be insured against damage in transit if the customer specifically requests this. The costs of such insurance shall be invoiced to the customer separately.

Section 5 Delivery and performance Times

(1) The delivery or performance time results from our order confirmation. The delivery period will commence once all technical issues have been clarified. Adherence to the delivery or performance time requires that the customer fulfils its contractual duties and obligations as agreed. If this is not the case, the delivery or performance time shall be extended accordingly, unless we are responsible for the delay. Binding delivery or performance dates or deadlines require our written confirmation to become effective.

(2) Compliance with the delivery or performance time shall be subject to the correct and timely delivery by our own suppliers or subcontractors. If we are unable to meet binding delivery or performance deadlines for reasons for which we are not responsible (non-availability of the subject of the contract), we shall notify the customer of this immediately and simultaneously inform it of the expected new delivery or performance deadline. If the subject of the contract is not available within the new delivery or performance deadline either, we shall be entitled to withdraw from the contract in whole or in part; we shall immediately refund any consideration already paid by the customer. A case of the non-availability of subject of the contract in this sense shall be deemed to be, in particular, the non-timely delivery or performance by our supplier or subcontractor if we have concluded a congruent covering transaction and neither we nor our supplier or subcontractor are at fault; or if we are not obliged to procure the subject of the contract in the individual case.

(3) Delivery or performance dates or deadlines shall be postponed or extended accordingly if we are prevented from delivery or performance within the time agreed due to force majeure, owing to industrial action or other circumstances for which we are not responsible (in particular also pandemic, epidemic or endemic events). The inability to obtain raw material and means of transport shall be treated in the same way as the cases referred to above. This also applies if corresponding circumstances occur concerning upstream suppliers. We shall notify our customer of such disruptions for which we are not responsible or which we alone cannot directly influence, in particular without the cooperation of our customer, stating the circumstances. We shall negotiate with our customer, applying mutually existing contractual and statutory duties of loyalty and consideration, on all measures to eliminate the disruptions or to minimise their consequences to an extent reasonable for both parties. This also applies if neither our customer nor we can invoke a case of force majeure. The foregoing shall apply to the same extent should such disruptions impair the fulfilment of our customer's contractual obligations to take delivery and other obligations. The mutual obligations to negotiate are contractual obligations. The statutory and/or contractual default provisions shall not apply for the duration of the existence of the disruptions and the negotiations on amicable remedial measures. If the disruptions exceed three months, the customer shall be entitled, following an appropriate period of grace, to withdraw from the contract with regard to the part that has not yet been performed. In this case, the customer shall not be entitled to any damage claims.

(4) Apart from that, the customer is only entitled to rights and claims due to delay if we are responsible for the delay.

(5) If the customer incurs damage due to a delay in delivery or performance for which we are responsible, the statutory provisions shall apply. If we are liable to pay damages thereunder, this shall be limited in amount to 0.5 % for each full week of delay, but in total to a maximum of 5 % of the value of the part of the total delivery or performance that cannot be used in good time or in conformity with the contract due to the delay. Damage claims in excess of this shall be excluded. We reserve the right to prove that the customer has not suffered any damage or that the damage is significantly less than the aforementioned fixed rate.

(6) The limitations set forth above in accordance with Subsection (5) shall not apply in the event of intent or gross negligence on our part or in the event of a fixed-date transaction or if the delay in delivery or performance for which we are responsible is based on the culpable violation of a material contractual obligation or if life, limb or health are affected. Except in the case of a wilful contractual infringement for which we are responsible or if life, limb or health are affected, our liability for damages in such cases shall be limited to foreseeable damage that typically occurs.

(7) If shipping has been agreed, delivery times, delivery deadlines and delivery dates shall refer to the time of transfer to the forwarder, haulier or to any other third party commissioned with the shipment.

(8) If delivery or performance is postponed at the request of the customer, following fruitless expiry of a reasonable grace period we have set, we shall be entitled to otherwise dispose of the goods personnel or services and to fulfil our obligations to the customer within a reasonably extended deadline. Any storage costs shall be borne by the customer.

(9) If the customer defaults in accepting performance or culpably breaches any other duty to cooperate, we shall be entitled to request replacement of any losses sustained, including any possible additional expenditure. If stored by us, the storage costs shall be 0.25 % of the invoice amount of the items to be stored for each full week. The right to pursue and provide evidence of additional or lower storage costs is reserved. Further claims of compensation for damages remain reserved; the customer may furnish proof that we incurred no or less damage.

(10) If the conditions of Subsection (8) are met, the risk of accidental loss or deterioration of the subject of the contract shall pass to the customer at the latest at the time when it is in default of acceptance or payment.

(11) We shall be entitled to render partial deliveries and partial performances when

a) the partial delivery or performance can be used by the customer within the contractual intended use,

b) the delivery of the remaining ordered goods or the provision of the remaining services is ensured and

c) the customer does not incur considerable additional expenses or costs as a result, unless we agree to bear such costs.

(12) Partial deliveries or services may be invoiced separately. Complaints concerning partial deliveries or services shall not release the customer from the obligation to accept the remaining delivery of the goods or remaining services in conformity with the contract.

Section 6 Warranty rights, Liability and Damage Compensation for Contracts of Sale

(1) The customer's rights to claim defects require that it has duly complied with its obligations to inspect the goods and report defects in accordance with Artt. 38, 39 CISG. Any notification of defects must be made in writing within a reasonable period of time, stating the type and extent of the deviation from the agreed or customary quality or suitability of use. We shall not be obliged to check whether the goods fulfil the particular purpose intended by the customer or are suitable for doing so, unless the customer has pointed this out to us in writing before concluding the contract.

(2) A material defect in the goods exists if the goods deviate considerably from the design, quantity, quality, condition, durability, functionality, compatibility, safety and suitability of use agreed in the order confirmation, taking into account the provisions in Section 2 subsections (1), (4), (5), (6) and (8) or, unless otherwise stipulated, from the quality and suitability of use customary in the Federal Republic of Germany. Surface rust may appear on finished metal surfaces as a result of storage or transport; this does not affect their functionality. This is not a defect. A defect of title to the goods exists if the goods are not free of rights or claims of third parties enforceable in the Federal Republic of Germany at the time of transfer of risk. Statutory exclusions in excess of this or limitations of our responsibility remain unaffected. Unless otherwise expressly agreed in the order confirmation, we are, in particular, not responsible for the goods being free from rights/claims of third parties outside the Federal Republic of Germany. If analyses, DIN [German Industry Standard] provisions, or other domestic or international quality standards are designated by us or if any other details are provided on the quality of the goods, these shall solely serve the purpose of describing the goods to be provided by us in greater detail. No acceptance of a guarantee of quality is associated with this.

(3) Only the information we provide and the manufacturer's product descriptions that we have included in the contract shall be deemed to be an agreement on the quality of the goods. Public statements, claims or advertisements by the manufacturer or any other third parties shall not constitute statements regarding the quality of the goods. If we provide the customer with samples or specimens for information purposes only, or receive samples or specimens from the customer, this shall not constitute a determination of the quality of the goods either. The customer shall not receive any guarantees in the legal sense.

(4) Unless otherwise expressly agreed, we shall not be obliged to assemble and install goods, to advise the customer, to train or instruct customers, or to deliver accessories or instructions. If we provide such services nonetheless on the basis of a separate agreement, these services may be invoiced separately by us.

(5) In the event of legitimate notices of defects, the customer may request supplementary performance in accordance with the statutory provisions. Supplementary performance shall take place at our discretion by eliminating the defect or by supplying faultless goods.

(6) In the event of subsequent performance by supplying faultless goods, the customer must, at our request and at our discretion, return the defective goods to us or scrap them against proof. However, we are not obliged to take back the replaced goods or have them scrapped at our own expense. If we request the return or scrapping, we shall bear the costs of the cheapest shipping route or scrapping costs customary in the market. This does not apply if the costs increase because the goods are located at a location other than the place of intended use.

(7) If the supplementary performance definitively fails, the customer may at its discretion choose to request a reduction in remuneration (*Minderung*) or a cancellation of the contract (*Rücktritt*) in accordance with statutory provisions.

(8) We shall only be liable for damages if we have culpably violated obligations owed to the customer. In the case of damages caused by simple negligence, we shall only be liable if a material contractual obligation has been violated. Material contractual obligations are those whose fulfilment characterises the contract and on which the customer may rely. Except in the case of a wilful contractual infringement for which we are responsible, our liability amount shall be limited to damages that typically occur and that were foreseeable at the time of concluding the contract. In particular, the replacement of indirect damage such as lost profits or loss of production shall be excluded.

(9) Liability arising from culpable injury to life, limb or health shall remain unaffected by the aforementioned limitations in accordance with paragraph (8). This also applies to mandatory liability according to the Product Liability Act (ProdHaftG) and in the context of guarantees.

(10) The limitation period for claims based on defects is 12 months from the transfer of risk. Damage claims due to intent, gross negligence, in the event of culpable injury to life, limb or health and claims resulting from product liability shall remain unaffected. Supplementary performance measures shall not lead to an extension of the period referred to in the first sentence, and shall not imply any acknowledgement that triggers a new start of the limitation period.

(11) Liability for normal wear and tear as well as damage due to unsuitable or improper use shall be excluded. If operating, safety or maintenance instructions, particularly technical data sheets, are not observed; if changes are made to the goods; if parts are replaced or consumables are used that are not compliant with the original specifications, any liability for defects shall not be applicable if the customer is unable to disprove a substantiated assertion that the defect occurred because of these circumstances.

(12) We shall not be liable for defects in parts or components provided by the customer or for parts or components provided by third party on its behalf or for defects in the end product attributable to the defectiveness of such supply parts.

Section 7 Property Rights

(1) We provide a warranty vis-à-vis the customer for the goods being free of property rights of third parties in the Federal Republic of Germany.

(2) However, the requirement for this provision of warranty is that the customer informs us immediately of claims arising from property rights asserted against it by third parties and acts in agreement with us when dealing with these claims and pursuing its rights. If one of these requirements is not met, we shall be released from our legal obligations or those assumed under these Terms and Conditions. If a breach of property rights arises for which we are liable in accordance with these Terms and Conditions, and if for that reason the customer is forbidden, with final binding effect, to use the goods, either in whole or in part, we shall, at our own expense and at our discretion

a) procure the customer's right to use the goods or
b) create the goods free of property rights or
c) replace the goods with another object that does not violate any property rights, or
d) take back the goods and refund the consideration paid by the customer.

(3) Liability under this Section 7 shall not apply insofar as we have manufactured or processed the subject of the contract in accordance with detailed drawings or models provided by the customer and are not aware or, in connection with products developed by us, do not need to be aware that this infringes any property rights.

(4) Our liability shall not be applicable if the customer makes changes to the goods or blends the goods with other materials, violating the property rights of third parties.

(5) The customer shall not be entitled to any other claims or claims in excess of this due to the infringement of property rights of third parties. In particular, we shall not replace any consequential damages, such as loss of production or use and lost profits. These liability limitations shall not apply if, in cases of intent or gross negligence or the culpable violation of material contractual obligations or the absence of assured qualities, mandatory liability is assumed for foreseeable damage typical for the contract.

Section 8 Liability

(1) Liability for damage compensation in excess of that envisaged under Sections 5, 6, 7 and 11 is excluded, irrespective of the legal grounds.

(2) Insofar as our liability vis-à-vis the customer is excluded according to these Terms and Conditions, this shall also apply to any personal liability on the part of our representatives, vicarious agents or employees.

(3) The customer's attention is drawn to its obligation to mitigate damages. In line with this, the customer undertakes to take appropriate precautions to prevent, as far as possible, any damage from occurring.

Section 9 Retention of Title

(1) The goods delivered (goods subject to retention of title) shall remain our property until such time as all claims to which we are or will be entitled against the customer have been settled, including all current account balance claims. If the customer acts in breach of contract – in particular, if it is in default with payment of a claim for payment – we shall be entitled to take back the goods subject to retention of title after having set an appropriate period of time for performance. The transport costs incurred for taking back the goods shall be borne by the customer. If we take back the

goods subject to retention of title, this shall constitute a withdrawal from the contract. If we levy execution on goods subject to retention of title, this shall likewise constitute a withdrawal from the contract. We may realise goods subject to retention of title that we have taken back. The proceeds from the realisation shall be offset against those amounts owed to us by the customer, after we have deducted an appropriate amount for realisation costs.

(2) The customer shall treat the goods subject to retention of title with care. The customer shall adequately insure them against fire and water damage and theft at replacement value at its own expense. If maintenance and inspection works are required, the customer shall undertake them in good time at its own expense.

(3) The customer may use the goods subject to retention of title and resell them in the ordinary course of business, as long as it is not in default of payment. However, the customer may not levy execution on the goods subject to retention of title or assign them by way of security. Claims for payment by the customer against its buyers arising from the resale of the goods subject to retention of title as well as those claims by the customer with regard to the goods subject to retention of title arising against its buyers or third parties on any other legal grounds (in particular, claims arising from tortious acts and claims to indemnification payments), including all current account balance claims, are fully assigned to us by the customer here and now by way of security. We hereby accept this assignment.

(4) The customer may collect the claims assigned to us at its expense in its own name for us, as long as we do not revoke this authorisation. Our right to collect these claims ourselves shall not be affected by this; however, we shall not assert the claims ourselves and shall not revoke the authorisation to collect as long as the customer duly complies with its payment obligations.

(5) If, however, the customer acts in breach of contract – in particular, if the customer is in default with the payment of a claim for payment – we may request the customer to disclose to us the assigned claims and the respective debtors, to notify the respective debtors of the assignment and to surrender all documents to us and provide us with all of the information we require to assert the claims.

(6) Any processing or transformation of the goods subject to retention of title by the customer shall always be executed for us. If the goods subject to retention of title are processed with other items that do not belong to us, we shall acquire co-ownership of the new item in proportion to the value of the goods subject to retention of title (final invoice amount including value-added tax, if applicable) to the other processed goods at the time of processing. Apart from that, the same applies for the new product that results from processing as for the goods subject to retention of title.

(7) If the goods subject to retention of title are inextricably attached or blended with other items that do not belong to us, we shall acquire co-ownership of the new item in proportion to the value of the goods subject to retention of title (final invoice amount including value-added tax, if applicable) to the other attached or blended goods at the time of attaching or blending. If the goods subject to retention of title are attached or blended in such a way that the customer's item shall be considered as the main item, we and the customer already agree that the customer shall transfer proportionate co-ownership of the item to us. We hereby accept this transfer.

(8) The customer shall take care of the resultant sole ownership or co-ownership of the item for us.

(9) In the event of the attachment of goods subject to retention of title by third parties or of other intervention by third parties, the customer shall draw attention to our ownership and shall immediately inform us in writing so that we can assert our property rights. If the third party does not reimburse us with the court or out-of-court costs incurred in this connection, the customer shall be liable to pay them.

(10) At the customer's request, we are obliged to release the securities to which we are entitled insofar as their realisable value exceeds the value of our outstanding claims against the customer by more than 10%. In this connection, however, we may choose the securities to be released.

(11) In the event of deliveries outside the Federal Republic of Germany that we undertake at the initiative of the customer, and if the aforementioned security rights in rem cannot be effectively agreed, such security rights in rem shall be deemed to have been agreed in respect of all outstanding claims arising from the business relationship between the customer and us which are closest to the above security rights and which are permissible and possible according to the relevant legal system.

Section 10 Special provisions for repair and machining services

(1) The customer must inform us in writing and in good time of any contamination, any residues in the items to be repaired or processed that may pose a health risk, as well as any transport risks and other measures to be taken.

(2) If the repair or work cannot be carried out for reasons beyond our control, the customer will be invoiced for the costs incurred, which must be substantiated (e.g. for preparatory work).

(3) There is no insurance cover whilst work is being carried out at our factory. The customer must ensure that the existing insurance cover for the item being repaired is maintained, for example in respect of fire, water damage, storm and machinery breakdown insurance. Insurance cover for these risks can only be arranged at the customer's express request and at their expense.

(4) We are entitled to a lien on the customer's item that has come into our possession under the contract, in respect of our claims arising from the repair or processing contract. The right of retention may also be asserted in respect of claims arising from work carried out previously, the supply of spare parts and other services, provided that these are related to the subject of the contract. In respect of other claims arising from the business relationship, the right of retention shall apply only in so far as such claims are undisputed or have become final and binding

Section 11 Warranty rights, Liability and Damage Compensation for Repair and Processing

(1) The work performance shall be free of defects if, at the time of acceptance, it has been performed in accordance with the properties agreed in the contract and its annexes. Insofar as the properties have not been agreed, the work performance shall deemed to be free of defects if it is suitable for the use presupposed under the contract, in all other respects for normal use, and if it complies with the recognized rules of technology at the time of acceptance.

(2) A defect shall not be deemed to exist in the case of an insignificant deviation from the agreed properties, in the case of an insignificant impairment of the usability, in the case of natural abrasion, normal wear and tear, or in the case of damage which occurs after the transfer of risk as a result of incorrect or negligent handling, excessive stress, unsuitable operating materials, defective third-party construction work or which occurs as a result of special external influences which are not assumed under the contract. Wear parts also include all components which suffer progressive material loss due to grinding, rolling, rotating, impacting, scratching, chemical and thermal stress. Rotating parts are also wear parts. If improper modifications or repair work are carried out by the customer or by third parties, no claims for defects shall exist for these and the resulting consequences, unless the customer refutes a substantiated claim that the defect only occurred as a result of these circumstances.

(3) Notice of defects shall be given in writing by a comprehensible description of the symptoms, as far as possible evidenced by written records or other documents illustrating the defects. Statutory obligations of the customer to examine and give notice of defects shall remain unaffected.

(4) Defects occurring during the limitation period according to subsection (8) shall, at our discretion, either be remedied by way of subsequent improvement or be remedied by way of subsequent delivery. Further rights of the customer due to defects shall exist exclusively within the scope of the provisions agreed below.

(5) The costs incurred for rectification or replacement shall be limited to the contractually agreed repair or processing price.

(6) If, after a reasonable number of attempts at rectification, replacement delivery or replacement performance, the subsequent performance has been unsuccessful and thus the subsequent performance has finally failed, or if we repeatedly fail to comply with the request for subsequent performance despite setting a reasonable deadline, the customer may, at his discretion, choose to request a reduction in remuneration (*Minderung*) or a cancellation of the contract (*Rücktritt*) in accordance with the statutory provisions.

(7) We shall only be liable for losses incurred by the customer as a result of a breach of contractual obligations in the event of an intentional breach of contract for which we are responsible, or a culpable injury to life, limb or health.

(8) The limitation period for claims for faults is 12 months from the acceptance. Damage claims due to intent, gross negligence, in the event of culpable injury to life, limb or health shall remain unaffected. Subsequent performance measures shall not lead to an extension of the period defined in the first sentence, and shall not imply any acknowledgement that triggers a new start of the limitation period.

(9) We shall not be liable for defects in parts or components supplied by the customer or by third parties at the customer's instigation, or in the item to be repaired or processed, nor for defects in the work resulting from the defectiveness of such parts or the item to be repaired or processed.

Section 12 Final Provisions

(1) The legal relations are governed by the English version of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (UN Sales Convention/CISG) as well as the customs prevailing in Melle, Germany. The UN Sales Convention applies above and beyond its area of application and regardless of any reservations of contracting countries for all contracts subject to these International Terms and Conditions. The formation of contract, including agreements as to the jurisdiction of courts and arbitrators, and the contractual rights and obligations of the parties, including pre-contractual and other secondary obligations, as well as their interpretation, are governed exclusively by the UN Sales Convention in conjunction with these International Terms and Conditions. Outside the UN Sales Convention, legal relations between the parties shall be governed by the law of the Federal Republic of Germany.

(2) If the customer is a merchant, a legal entity under public law or a federal special fund under public law, the exclusive place of jurisdiction for all disputes arising from this contract is Osnabrück. The same applies if the customer has no general jurisdictional venue in Germany or if the customer's place of residence or common whereabouts are not known at the time of commencing an action. However, we are entitled to sue the customer at its place of business, place of residence or commercial branch.

(3) The place of performance, payment and fulfilment for all obligations arising from the business relationship is our company's place of business. If assembly, repair or processing has been agreed, the place of performance shall be the place of assembly or the place where the item to be repaired or processed is located.

(4) If any provisions of the contract with the customer, including these International Terms and Conditions, are or become invalid, either in full or in part, this shall not affect the validity of the remaining provisions. The partially or wholly invalid provision shall be replaced by a provision whose economic success comes closest to that of the invalid provision.