

## § 1 Scope

- 1.1 The following general terms and conditions of sale (hereinafter: „Terms and Conditions“) of Peter Lazic GmbH (hereinafter: „Supplier“) shall apply to all of Suppliers' customers, which are entrepreneurs according to Paragraph 14 German Civil Code, legal entities under public law or special funds under public law (hereinafter: „Purchaser(s)“).
- 1.2 In particular, the Terms and Conditions apply for contracts concerning the sale and/or delivery of movable goods (hereinafter also referred to as „goods“), irrespective of whether Supplier manufactures the goods or purchases them from subcontractors (Sec. 433, 651 German Civil Code). The Terms and Conditions in their current version shall also apply as a framework agreement for any future contracts concerning the sale and/or delivery of movable goods with the Purchaser, without Supplier's obligation to refer to the Terms and Conditions again in each individual case.
- 1.3 Supplier's Terms and Conditions apply exclusively. Deviating, conflicting or supplementary general terms and conditions of the Purchaser shall only become an integral part of the contract if and to the extent Supplier has expressly consented to the application thereof. This requirement shall apply in any case, for example in case that Supplier carries out the delivery to the Purchaser without any qualification or reference to the Terms and Conditions, but even knowing of the Purchaser's general terms and conditions.
- 1.4 Individual agreements concluded with the Purchaser in individual cases (including supplementary agreements, additions and amendments) shall in any case prevail over the Terms and Conditions. With regard to the content of such individual agreements, a written contract or Supplier's written confirmation shall be decisive.
- 1.5 Legally relevant declarations and notifications which shall be submitted by Purchaser to Supplier after conclusion of the contract (e.g. setting of deadlines, notifications of defects, rescission notice or reduction) shall be made in writing to be effective.
- 1.6 References to the validity of statutory provisions are only made for clarification purposes. Even without such clarification, the statutory provisions shall apply, unless the statutory provisions are directly amended or expressly excluded in these Terms and Conditions.

## § 2 Conclusion of Contract

- 2.1 All offers by the Supplier are subject to confirmation and are not binding. This shall also apply if Supplier provides Purchaser with catalogues, technical documentation (e.g. drawings, plans, computations, calculations, references to DIN standards), other product descriptions or documents - also in electronic form - to which Supplier reserves ownership rights and copyrights.
- 2.2 All orders placed by the Purchaser shall be deemed to be a binding offer of a contract. Unless otherwise stated in the order, the Supplier is entitled to accept said offer of a contract within 2 weeks of the Supplier's receipt of said offer.
- 2.3 Acceptance of such offers can be declared either in writing (e.g. by confirmation of the order via email or facsimile) or by delivery of the goods to the Purchaser.

## § 3 Delivery Period and Delay in Delivery

- 3.1 The delivery periods stated by the Supplier are not binding unless binding deadlines are expressly designated in writing. Insofar as dispatch has been agreed (inter alia Section 4.1), the delivery periods and delivery dates refer to the time of handover of the purchased goods to the forwarder, carrier or other third parties commissioned with the transport of the purchased goods.
- 3.2 Supplier is not liable for impossibility of delivery or delays in delivery, as far as they are due to force majeure (e.g. natural disasters, war, riots) or other unforeseeable events at the time of conclusion of the contract (e.g. break-downs of all kinds, delays in transport, strikes, legitimate lockouts, lack of manpower, energy or raw materials, difficulties in obtaining necessary regulatory approvals, regulatory action or the lack of incorrect or untimely supply from upstream suppliers) which Supplier is not responsible for. If such events make the delivery or service significantly more difficult or impossible for Supplier and cannot be foreseen that Supplier can provide our services within a reasonable period – at the latest within 2 months – Supplier is entitled to withdraw from the contract. In the case of obstacles of a temporary duration, the delivery or service periods shall be extended or the delivery or service dates shall be postponed by the period of the hindrance plus a reasonable ramp-up period.

- 3.3 The event of a Supplier's delay in delivery shall be determined in accordance with the statutory provisions. However, in any case a reminder from the Purchaser is required.
- 3.4 The rights of the Purchaser in accordance with Section 7 of these Terms and Conditions and our Supplier's statutory rights, in particular in the event of an exclusion of the performance obligation (e.g. due to impossibility or unreasonableness of performance and/or supplementary performance) shall remain unaffected.

## § 4 Delivery, Transfer of Risk, Default in Acceptance

- 4.1 Delivery shall be ex Supplier's premises, Tuttlingen (FCA, Incoterms 2020) which is also the place of performance. The goods may be delivered to another destination if requested by the Purchaser at Purchaser's expense (sale to a place other than the place of performance („Versendungskauf“)). Unless otherwise agreed, Supplier is entitled to determine the type of shipment (in particular transport company, shipping route, packaging) at Supplier's sole discretion.
- 4.2 The Supplier shall be entitled to effect part deliveries of goods only if the Purchaser is able to effectively use the goods so delivered for their contractually stipulated purpose, delivery of the remainder of the goods ordered has been ensured, and the Purchaser does not thereby incur considerable additional work and expense.
- 4.3 In case that the Purchaser is obliged to accept delivery, acceptance shall be effected immediately on the relevant acceptance date, alternatively within one week following the Supplier's notice of its readiness for acceptance. The Purchaser cannot refuse to accept delivery if there is only a minor defect. Insofar as acceptance has been agreed, this is decisive for the transfer of risk. If the Purchaser is in default of acceptance, this shall be deemed equivalent to handover or acceptance.
- 4.4 If the Purchaser is in default of acceptance, if Purchaser omits to carry out an act of cooperation or if Supplier's delivery is delayed for any other reasons, which the Purchaser is responsible for, Supplier shall be entitled to withdraw from the contract and/or to claim a lump-sum contractual penalty of 1% per each completed week of the delay, but not exceeding 5% of the order amount affected by the default of acceptance. Both contracting parties reserve the right to prove higher or lower damages.

## § 5 Prices and Payment

- 5.1 Unless otherwise agreed, Supplier's current prices in euros at the time the contract is concluded shall apply „FCA Tuttlingen“, plus statutory VAT and packaging costs in accordance with Incoterms 2020.
- 5.2 In the case of sale to a place other than the place of performance (Section 4.1), the Purchaser shall bear the transport costs and the costs of any possible transport insurance requested by the Purchaser. Any customs duties, fees, taxes and other public charges shall be borne by the Purchaser. The Supplier will not take back the transportation packaging or any other packaging under the Packaging Directive („Verpackungsverordnung“); said packaging shall become the property of the Purchaser; pallets are excluded.
- 5.3 The purchase price, unless otherwise agreed in individual cases, in particular with regard to the order confirmation or invoice, is due and payable within 10 days with 2% cash discount or net within 30 days from the invoice date and delivery or, in the case of contracts for work, from the invoice date and acceptance of the goods.
- 5.4 With the expiry of the abovementioned payment period, the Purchaser is in default. During the period of default, the purchase price shall be subject to interest at the respective applicable statutory rate of interest. Supplier is entitled to reserve the right to claim further damages caused by default. Supplier's claim with regard to the commercial maturity interest (Sec. 353 German Commercial Code) against merchants remains unaffected. Irrespective of other claims for compensation, Supplier is entitled to postpone Supplier's contractual obligations in the event of default of payment, until the arrears have been paid.
- 5.5 Offsetting counterclaims of the Purchaser or the retention of payments due to such claims shall only be permitted if the counterclaims are undisputed or have become final and absolute, or in the case of reciprocity („Gegenseitigkeitsverhältnis“) of these claims with the claims of Supplier. In case of defective deliveries, the rights of the Purchaser remain unaffected (in particular according to Sec. 7.4 sentence 2 of these Terms and Conditions).

- 5.6 If, after conclusion of the contract, the Supplier becomes aware that a significant deterioration in the financial circumstances of the Purchaser occurs or threatens to occur of circumstances and therefore the fulfilment of payments by the Purchaser of debts owed to the Supplier under any contract is jeopardised, the Supplier shall be entitled to refuse performance of Supplier's obligations in accordance with the statutory regulations and - if necessary after setting a deadline - to rescind the contract (Paragraph 321 German Civil Code). In case of contracts with regard to the production of nonsubstitutable goods (custom manufacturing), Supplier is entitled to declare the rescission immediately; the statutory regulations on the dispensability of setting a deadline remain unaffected.

## § 6 Reservation of Title

- 6.1 The Supplier shall retain title to goods delivered by the Supplier until all of the Supplier's present and future claims arising out of the sale and purchase agreement and a current business relationship with the Purchaser (hereinafter: „Secured Claims“) have been satisfied in full by Purchaser („Kontokorrentvorbehalt“).
- 6.2 The Purchaser shall, at its own cost, handle, store, maintain and repair any goods delivered to Purchaser subject to a reservation of title by the Supplier with due care, and insure them against fire, water damage, breaking and entering and theft.
- 6.3 Prior to the payment of the Secured Claims in full, the goods delivered to Purchaser subject to a reservation of title by the Supplier may not be pledged to third parties or title thereto transferred as security. The Purchaser shall promptly notify the Supplier in writing if any goods delivered to Purchaser subject to a reservation of title by the Supplier are attached or otherwise encroached upon by third parties.
- 6.4 In the event of a breach of contract by the Purchaser, especially in the event of defaulting in making payment, the Supplier is entitled to rescind the contract in accordance with the statutory regulations and demand the return of any goods delivered to the Purchaser subject to a reservation of title by the Supplier. In the event of defaulting in making payment Supplier is entitled to exercise the abovementioned rights subject to having first set a reasonable deadline or such a deadline is not needed according to the statutory regulations.
- 6.5 The Purchaser shall be entitled to sell goods delivered to it subject to a reservation of title by the Supplier in the ordinary course of business as long as the Purchaser is not in default of payment. In such an event, the following provisions shall apply
- The retention of title includes the full value of products resulting from processing, mixing or connection of goods belonging to Supplier, whereby Supplier will be regarded as the manufacturer. If a third party's right of ownership remains in effect after processing, mixing or combining with goods of a third party, Supplier shall acquire co-ownership in the new object at the ratio of the invoice values of the processed, mixed or connected reserved goods (hereinafter: „Invoice Value“) to the value of the new item. If one of the joined objects („verbundene Sache“) is considered to be the principal object („Hauptsache“), the Purchaser shall transfer to the Supplier co-ownership in the joint object commensurate to the Invoice Value of the goods delivered to the Customer subject to a reservation of title. The Purchaser shall keep any object in respect of which the Supplier has acquired co-ownership in safe custody free of charge. If goods delivered to the Purchaser subject to a reservation of title by the Supplier are resold as an integral part of a new object, the assignment subject to Section 6.5 (b) shall apply only in the amount of the Invoice Value of the goods delivered to the Purchaser subject to a reservation of title by the Supplier. Furthermore the same applies for the resulting product as for the supplied goods, which are subject to retention of title.
  - The Purchaser hereby assigns to the Supplier as security all claims that may arise consequent to a sale of goods or the new objects pursuant to Section 6.5 (a) in total or in the amount of our possible co-ownership share in accordance with Section 6.5 (a). The Supplier accepts said assignment. The Purchaser's obligations pursuant to Section 2.3 shall apply accordingly with respect to the assigned claims.
  - The Supplier revocably authorizes the Purchaser to enforce the assigned claims in its own name, for the Supplier's account. If the Purchaser acts contrary to the terms of the contract, especially in the event of defaulting in making payment, the Supplier is entitled to require the Purchaser to disclose the assignment and the third parties and to hand over to the Supplier any information and documents necessary to enforce the claim and inform the third party about the assignment.
  - If the value of the security to which the Supplier is entitled under the above provisions exceeds the Supplier's claims by more than 10 %, the Supplier shall release the security in the value that exceeds said amount upon the Purchaser's request, but the choice of security to be released shall be up to the Supplier.

- 6.6 If the law of the country applicable at the location of the goods does not permit or recognise a reservation of title or does so only in a limited form, the Supplier is entitled to reserve other rights in the delivered goods. The Purchaser is obliged to cooperate with the Supplier in relation to all measures (e.g. registration) necessary to effect the reservation of title or to create such other rights and to protect these rights.

## § 7 Warranty Claims of the Purchaser

- 7.1 The statutory provisions shall apply for the rights of the Purchaser in the event of quality defects or defects of title (including wrong and short shipment as well as incorrect installation or defective assembly instruction), unless otherwise specified in the following. In any cases, the statutory provisions remain unaffected in the case of final delivery of the goods to a consumer (in particular supplier recourse according to Sec. 478 German Civil Code).
- 7.2 Any warranty claims (“Mängelansprüche”) against the Supplier shall be conditional on fulfilment of the duties incumbent upon the Purchaser under Sec. 377, 381 German Commercial Code. In the event that a defect is revealed during the inspection or at a later date, the Supplier must be notified without undue delay. If Purchaser does not comply with its above obligations with regard to the inspection and/or notification of defects, Supplier’s liability shall be excluded.
- 7.3 If the Supplier’s goods prove to be defective, the Supplier shall be obliged to remedy the defects by, at the Supplier’s option, either rectifying the defect („Nachbesserung“) or by delivering a replacement (“Ersatzlieferung“).
- 7.4 The Supplier shall be entitled to make supplementary performance dependent on the Purchaser paying the purchase price. The Purchaser shall, however, be entitled to withhold such part of the purchase price as is reasonable in proportion to the defect.
- 7.5 The Purchaser shall allow the Supplier the necessary time and opportunity for due supplementary performance and shall in particular hand over the goods concerned for inspection. In the case of the delivery of a replacement the Purchaser is obliged to return the defective goods to the Supplier in accordance with the statutory provisions.
- 7.6 The costs of inspection and supplementary performance by the Supplier, in particular the transport costs, road costs, labour costs and cost of materials, shall be borne by the Supplier only in case that there is actually a defect. This shall not apply for any increased costs as a result of goods being located somewhere other than the intended place of use. However, the Supplier may claim reimbursement of arising costs, if the request for supplementary performance is unjustified.
- 7.7 If the defect is based on a defective third-party product, Supplier is entitled to assign its warranty claims against its sub-supplier to the Purchaser. In that case, the Purchaser is only entitled to claim for warranty against Supplier, if the legal enforcement of the above-mentioned warranty claims against the sub-supplier or manufacturer of the defective third-party product is unsuccessful or, for example, due to insolvency, is futile.
- 7.8 The warranty shall be excluded if the Purchaser modifies the delivered good without Supplier’s consent or allows it to be modified by third parties and the remedial action is thereby impossible or or unreasonably difficult. In any case the Purchaser shall bear the additional costs of the remedial action arising from such modification.
- 7.9 The Purchaser’s claims for damages or reimbursement of fruitless expenses shall only exist according to Section 8. Otherwise these claims of Purchaser shall be excluded.
- 7.10 The Purchaser shall ensure that the goods are used exclusively in line with the purpose intended by the manufacturer. Legally binding notification obligations and deadlines with regard to complaints or defects of the goods remain unaffected. Purchaser shall keep Supplier informed of notifications to the competent authority. The Purchaser shall ensure that its customers can be reached in the event of recalls and field information and that this is also ensured for the customers of Purchaser’s customers.
- 7.11 The Purchaser undertakes to report complaints and reported incidents immediately not only to authorities (Section 7.10), but also always to Supplier as the manufacturer. Furthermore, the Purchaser undertakes to provide information to Supplier as the manufacturer within the framework of the manufacturer’s market obligation to observe the market to the extent that the cooperation requested by Supplier with regard to the market observation (Post Market Surveillance) is appropriate taking into account the product risk class and current industrial practice as well as requests from authorities and notified bodies.

## § 8 Other Liability

- 8.1 The Supplier shall be liable in accordance with the relevant statutory provisions in case of a breach of contractual or non-contractual obligations unless otherwise provided in this Terms and Conditions or in the following.
- 8.2 Supplier is only liable for damages – for whatever legal reasons – if a damage is the result of intentional or grossly negligent acts or omissions of the Supplier’s statutory representatives or employees and vicarious agents. In the absence of intentional conduct, the Supplier shall be liable only for reasonably foreseeable damage that occurs. In case of negligence Supplier is only liable for
- damages resulting from the injury of life, body or health,
  - damages caused to for damages resulting from the breach of an essential contractual obligation (an obligation, the fulfilment to which is a prerequisite for enabling the proper fulfilment of the contract and in which the contractual partner regularly relies and may rely); however, in this case, Supplier’s liability is limited to the compensation of the foreseeable, typically occurring damage.
  - The limitations of liability resulting from Section 8.2 shall not apply in case that Supplier has fraudulently concealed a defect or has assumed a guarantee for the quality of the goods. The same shall apply for claims of the Purchaser according to the Product Liability Act.
- 8.3 Unless otherwise provided above, claims for damages against Supplier arising out of a breach of duties shall be excluded.
- 8.4 Insofar as Supplier’s liability is excluded and limited, this shall also apply to the personal liability of Supplier’s statutory representatives, employees and other vicarious agents.

## § 9 Limitation Period

- 9.1 Notwithstanding Sec. 438 (1) No. 3 German Civil Code, the general limitation period for claims with regard to quality defects and defects of title shall be one year from delivery - except in cases of fraudulent intent and subject to Section 9.4. If acceptance has been agreed, the limitation period shall commence upon acceptance.
- 9.2 If, however, the goods are a building or an object which has been used for a building in accordance with its customary application and which has caused its defectiveness (building material), the period of limitation shall be 5 years from delivery in accordance with the statutory regulation (Sec. 438 (1) No. 2 German Civil Code). Special statutory provisions for claims in rem restitution of property of third parties (Sec. 438 (1) No. 1 German Civil Code), in case of fraudulent intent of the seller (Sec. 438 (3) German Civil Code) and for claims in supplier recourse in case of final delivery to a consumer (Sec. 479 German Civil Code) shall also remain unaffected.
- 9.3 The abovementioned limitation periods of the law on the sale of goods shall also apply to contractual and non-contractual claims for damages of the Purchaser which are based on a defect of the goods, unless the application of the general statutory limitation period (Sec. 195, 199 German Civil Code) would lead to a shorter limitation period in individual cases. In any case the limitation periods of the Product Liability Act shall remain unaffected. Otherwise, the statutory limitation periods shall apply exclusively to the Purchaser’s claims for damages pursuant to Section 8.2.
- 9.4 A claim for damages due to a breach of the obligation of supplementary performance according to Sec. 437 No. 1, Sec. 439 German Civil Code shall only exist if during the 12-month period of limitation according to Section 9.1 both (i) the Purchaser claims supplementary performance and (ii) Supplier breached its obligation of supplementary performance.

## § 10 Information and Technical advice

Information and recommendations provided by the Supplier are not binding and are made excluding all liability unless Supplier has expressly and in writing undertaken otherwise. The Purchaser shall be responsible to investigate whether a product is suitable for the Purchaser’s particular requirements. Any details and information provided by the Supplier in relation to its goods do not constitute any promise as to their suitability for the Purchaser’s purposes.

## § 11 Choice of Law, Place of Jurisdiction

- 11.1 These Terms and Conditions and any legal relationships between Supplier and Purchaser are subject to German law excluding the international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods. The conditions and effects of the retention of title in accordance with Section 6 are subject to the law applicable at the location of the goods insofar as the choice of law made in favour of German law is inadmissible or ineffective.
- 11.2 In case that the Purchaser is merchant according to the German Commercial Code, legal entity under public law or public law special fund, the exclusive place of jurisdiction for all disputes arising directly or indirectly out of or in connection with the contract between the Purchaser and the Supplier is Suppliers' registered office (Immelmannweg 2, 78532 Tuttlingen). Supplier shall also be entitled to assert its claims in the courts competent for the place of general jurisdiction of the Purchaser.

Tuttlingen, November 2020