

## General Terms and Conditions

**LCTech GmbH • Daimlerstr. 4 • 84419 Obertaufkirchen • Germany**

**Phone: +49 8082 2717-0 • Fax: +49 8082 2717-100**

**E-Mail: [info@LCTech.de](mailto:info@LCTech.de) • [www.LCTech.de](http://www.LCTech.de)**

### 1. General

#### 1.1. Conflicting Terms, Written Form, Ancillary Agreements, Contract Language

The general terms and conditions of business apply for this and future contracts with the client; terms set forth by the client do not become a part of the contract, even if we have not expressly repudiated them. Ancillary agreements, deviations or supplements before and during contract conclusion, if made verbally, can only be made binding by the directors, otherwise these can only be invoked by the client if the changes were confirmed in writing. Contract language is German or English.

#### 1.2. Proposals, Reservation of Right to Modifications

Our proposals are non-binding. We reserve the right to technical improvements to our products.

#### 1.3. Data Collection

We can save and process the data important to completion of the contract on our data processing systems.

1.4. Offset, retention offset and retention by the client are not permitted unless in the case of undisputed or legally enforceable counterclaims.

#### 1.5. Jurisdiction, Applicable Law

The place of jurisdiction is our subsidiary in Obertaufkirchen (Traunstein municipal court; Traunstein district court). However, we are entitled to hold the client liable at the court applicable for the client. German law is applicable excluding the United Nations Convention on the International Sale of Goods (CISG).

### 2. Deliveries, Risk, Delivery Costs

2.1. Place of performance is our plant in Obertaufkirchen. Risk is transferred to the client when the delivered goods leave our plant in the event that we undertake additional services, e.g. delivery, transportation, export or assembly.

2.2. The client bears the cost of transportation, packaging and insurance.

### 3. Delivery Times, Delays, Damages from Delays

3.1. Delivery times are ex works. Periods of delivery begin only when technical questions remaining open at contract conclusion have been clarified, documents such as drawings and approvals to be obtained by the client have been received and/or after any required deposits and product releases have been effected. Periods of delivery times are considered to have been adhered to if delivery readiness was communicated before expiration of such period of delivery.

3.2. Force majeure, such as strikes, lock-outs, shut-downs, shortages not caused by us, and/or delayed/failed deliveries by pre-suppliers shall extend the periods of delivery by the amount of time lost due to such events. Should these events make delivery impossible, we are released from our commitment to deliver. This also applies in the event of services added or altered at the client's request.

3.3. A reminder from the client providing an appropriate grace period forms a prerequisite for our default in delivery in any case.

3.4. We are liable for consequences of default only in the event of wilful intent or gross negligence. In the event of gross negligence, liability is limited to foreseeable damages which are typical of the contract. This limitation is no longer valid in the event that we are held liable for loss of life, bodily injury or damage to health. The client is to inform us immediately of expected damages from default. Further client claims are excluded, even after expiration of a remedy period set by the client. A change of the burden of proof to the disadvantage of the client is unrelated to the abovementioned guidelines.

#### **4. Prices, Terms of Payment, Securities**

4.1. Our prices are ex works. In addition, we charge value-added tax at the rate applicable at the time of delivery. If more than 4 months have elapsed between conclusion and delivery, we may, at our sole discretion, request an appropriate price increase to offset our cost increases through the time of delivery.

4.2. Invoices – subject to a special written agreement – are payable in full immediately upon receipt. Unless we agree to payment periods different from those set forth in Article 1, our invoices are payable by the date indicated in full, net, with no deductions in EURO (EUR) and payable to our account in the Federal Republic of Germany. Receipt of payment is relevant. We accept bills of exchange and checks as conditional payment only at client's expense.

4.3. For first-time clients, we require prepayment. In case of default in payment and/or reasonable doubt in the creditworthiness of the client, we can make each individual delivery dependent upon prepayment or a security to the amount of the invoice.

4.4. For agreed-upon return of goods, the client will be charged an inspection/handling fee to the amount of 15 % of the invoice amount (minimum 100 EUR) as long as no defects according to clause 7 are determined following the inspection.

4.5. Client claims against us from credit memos may, if applicable, also be netted against our open receivables before their due date.

The client may only offset those claims which are undisputed or determined legally enforceable.

4.6. In the event of default in payment, we charge interest in arrears equivalent to the statutory amount - in each case, subject to further claims for damages.

#### **5. Retention of Title, Assignment in Advance**

5.1. We reserve our title to the delivered goods until their complete and unqualified payment. In the event that we have additional receivables from the client, retention of title remains in force until payment of same.

5.2. The client may resell retained goods in their ordinary course of business only if the client has not transferred, assigned or in any way encumbered their claims from the resale to a third party.

5.3. The client may not use the retained goods or combine them with other objects upon which third party rights exist. In the event that retained goods nevertheless become a part of a new (combined) item through combination with other objects, we become owners of a proportionate share of this item, even if it is to be viewed as the principal object. Our share of ownership is according to the ratio of the legal value of the retained goods to the value of the new item at the time of the combination.

5.4. As a security, the client assigns claims against their client arising from the sale of the retained goods (clause 5.1) and/or newly created items (clause 5.3) to the amount of our invoice for the retained goods in advance as security. We accept this assignment. As long as the client does not default in payment of the retained goods, the client may collect the assigned receivables in the ordinary course of business. The client may, however, only use the share of revenue for payment to us for the retained goods.

5.5. At the client's request, we will release securities of our choice if the face value of the securities exceeds 120 % of the face value of our open receivables due from the client.

5.6. In the event of default, we have the right to withdraw from the contract, to demand the return of remaining retained goods and to collect the assigned receivables ourselves. For the ascertainment of our rights, we can have all client documents / books relating to our retained rights reviewed by a person bound by an oath of professional secrecy.

## **6. Commissioning/Repair/Maintenance**

6.1. Costs associated with commissioning, repair and maintenance or other services provided will be invoiced as incurred. Support in development of methods can not be inferred from the foregoing.

6.2. The client is to include the following items for work completed in its laboratory in a cost absorption calculation: Lighting, power, compressed air, if necessary, welding current and heating including all necessary connections; electrical installations to connect the machinery provided by us; the necessary fixtures (such as hoisting gears); secure room for storage of materials, tools and clothing for the duration of the commissioning; employees to move or transport the machinery according to instructions.

## **7. Defect and Compensation Claims**

7.1. This contract holds us liable for the condition of the delivered goods as free of defects at the passage of risk. The condition according to the contract, shelf-life and use of our delivered goods are based exclusively on the specification, product description and/or operating instructions stipulated in writing. Additional information especially in preliminary discussions, promotional material and or industrial standards taken into account shall only become an element of this contract if included expressly in writing. Compliance with regulations related to technical safety and occupational medicine is dependent upon the site of installation and conditions of the installation which are unknown to us. Compliance measures are therefore within the user's realm of responsibility.

7.2. If the client wishes to use the delivered goods for purposes other than the ordinary or those contractually agreed upon, the client accepts sole responsibility for review of the suitability for this use and/or the permissibility of such usage. We assume no liability for usage not confirmed by us expressly and in writing which does not correspond to the ordinary or contractually agreed upon usage. In the case of client material or design regulations, we are not liable for the qualifications or permissibility of the desired materials or designs and have no special obligation to review.

7.3. Our liability for damages is basically limited to subsequent performance. Subsequent performance shall comprise, at our discretion, elimination of the defect or delivery of goods free from defects. Further defect claims exist only in the event of rejection, impossibility or failure of the subsequent performance. The subsequent performance is considered failed if the second attempt at elimination of the defect or the substitute delivery is unsuccessful. Additional expenses related to the subsequent performance arising from the fact that the purchased item must be delivered to a site other than the site of installation are to be borne by the client.

7.4. The client is to carefully inspect the delivered goods promptly following receipt – also with regard to product safety – and to reprehend in writing in the event of obvious defects, or, in the event of hidden defects, reprehend in writing immediately upon detection. Damages from transport are to be reported to the carrier immediately. Noncompliance with the obligation of inspection and reprehension will result in the exclusion of client's defect claims.

7.5. We are not liable for the results of improper treatment, use, maintenance and operation of the delivered goods by the client or their agents as well as the consequences of normal wear and tear, especially of wear parts such as, e.g. membranes, seals, valves, gates, capacitors, oil and breakage of glass and ceramic parts.

Further, we are not liable with regard to consequences of chemical, electrochemical or electrical influences, or in the event of violation of or noncompliance with the operating instructions.

7.6. If the client uses the delivered goods for work with substances which are harmful to the environment, poisonous, radioactive or otherwise hazardous, the goods must be cleaned before being returned to us. If contaminated goods are returned to us, we have the right to invoice the client for cleaning and disposal of the pollutants.

7.7. Defect claims against us lapse one year following delivery of the goods to the client. This is also valid with regard to claims from breach of secondary obligations and/or claims for compensation of property damages or economic losses not occurring directly to the delivered goods, unless we are fully liable in accordance with Clause 8.1. Line 1.

7.8. The abovementioned guidelines do not imply a change of the burden of proof to the disadvantage of the client.

## **8. Limitation of Liability**

8.1. In cases of loss of life, bodily injury or damage to health and in accordance with the German Product Liability Act, and if this company, our vicarious agents or representatives intentionally breach a contractual obligation, we are fully liable according to the legal provisions. In other cases, our liability is limited to foreseeable damages which are typical of the contract.

8.2. If we, our vicarious agents or representatives are only guilty of simple negligence, we are only liable as the deliverer for foreseeable damages in the event of breach of fundamental contractual obligations which are typical of the contract.

8.3. Liability for damages to the client's legal goods by the delivered object, e.g. damages to other objects, is, however, entirely excluded. This is not valid if wilful intent or gross negligence is involved or if liability exists for loss of life, bodily injury or damage to health, or if we have accepted special initial duties with regard to this in writing.

8.4. A change of the burden of proof to the disadvantage of the client is unrelated to the above mentioned guidelines.

## **9. Spare Parts**

Our obligation to stock/deliver spare parts is limited to the 5 years following delivery. If spare parts are not produced by us or if they are no longer available on the market, e.g. electronic components, or if the source material for manufacturing the parts is no longer available, our obligation to provide spare parts expires. Spare parts are offered according our respective list prices.

## **10. Disposal at the End of Service Life**

The client bears the expenses for disposal. If a disposal method is prescribed for the machinery delivered by us at the end of their service life according to statutory regulations, e.g. ElektroG [German law governing electric and electronic appliances] (WEEE, RoHS guidelines), the client is responsible for the appropriate measures and bears their costs.

If we are obligated to accept returns, the client will bear the cost for disposal directly or reimburse us for those expenses. If necessary, we can make the return dependent upon a prior cost refund or security.

## **11. Industrial Property Rights, Confidentiality**

11.1. We retain the ownership and all industrial property rights and copyrights for molds, tools or other fixtures, samples, depictions, as well as commercial and technical documents produced or provided by us, even if the client has paid for these in part or in full. The client may only use the molds, etc. in the manner agreed upon with us. The client may not produce the delivered goods themselves, nor allow the goods to be produced without our written consent.

11.2. If we supply goods made from designs or other specifications (models, samples, and similar) stipulated by the client, it shall assume liability in the event that their manufacture and supply violate third party industrial property rights or other rights of third parties. The client must compensate us for all damages resulting from such legal violations.

11.3. The client shall keep confidential all information received from us as a result of the business condition and which is not public knowledge.

As of: April, 2017