General Terms and Conditions of Sale

Riedel Trafobau GmbH

Section 1 General

(1) The Terms and Conditions of Sale of **AQ Riedel Trafobau GmbH** (hereinafter: Riedel) apply exclusively; terms and conditions of the Buyer that conflict with or deviate from these Terms and Conditions of Sale shall not be recognised without express written consent to their validity. These General Terms and Conditions of Sale also apply if Riedel carries out the delivery to the Buyer without reservation, while aware of the Buyer's conditions that conflict with or deviate from these Terms and Conditions of Sale. These General Terms and Conditions of Sale apply to all current and future orders for deliveries and other services. "In writing" and "written", in the sense of these Terms and Conditions of Sale, include written and text form (e.g. letter, email, fax). Statutory form requirements and further evidence, especially in case of doubts about the legitimacy of the declarant, remain unaffected.
(2) All agreements made between Riedel and the Buyer for the purpose of executing this contract must be recorded in writing in this contract. Orders placed orally or by telephone therefore require subsequent written confirmation by Riedel in order to be legally valid.
(3) These General Terms and Conditions of Sale apply only to entrepreneurs in accordance with Section 310(1) of the German Civil Code (BGB).

Section 2 Offer – Offer Documents

(1) If the order is to be qualified as an offer according to Section 145 BGB, Riedel can accept it within two weeks.
(2) Riedel reserves its property and copyright usage and exploitation rights without restriction on cost estimates, drawings and other documents (hereinafter: documents). The documents may only be made accessible to third parties with Riedel's prior consent and, if the order is not placed with Riedel, must be returned to Riedel immediately upon request.
(3) The Buyer has the non-exclusive right to use standard software and firmware with the agreed performance features in unchanged form on the agreed devices. The Buyer may create a backup copy of the standard software without express agreement.

Section 3 Prices – Terms of Payment

(1) Unless otherwise stated in the order confirmation, the prices apply "EXW Incoterms 2020", excluding packaging; this will be invoiced separately.
(2) For copper quotations greater than €1.53/kg, we charge a copper surcharge according to the specified copper input weight. The basis is the average quotation for the calendar month preceding delivery.
(3) The deduction of cash discounts requires a special written agreement.
(4) If Riedel has taken over the installation or assembly and nothing else has been agreed, the Buyer shall bear all necessary incidental costs, such as travel and transportation costs as well as allowances, in addition to the agreed remuneration.
(5) Payments are to be made free of charge to Riedel's payment office.
(6) Unless otherwise stated in the order confirmation, the purchase price is due net (without deduction) within 30 days or 14 days with a 2% discount from the invoice date. Riedel is entitled to make a delivery in whole or in part only against prepayment. Riedel shall declare a corresponding reservation with the order confirmation at the latest. Otherwise, the legal rules concerning the consequences of late payment by the Buyer apply.
(7) The Buyer is only entitled to offsetting rights if his counterclaims have been legally established, are undisputed or have been acknowledged by Riedel. Moreover, the Buyer is only authorised to exercise a right of retention to the extent that his counterclaim arises from the same contractual relationship.

Section 4 Delivery Time

(1) The observance of delivery times presupposes the timely receipt of all documents to be supplied by the Buyer, necessary approvals and releases, especially of plans, as well as the observance of the agreed payment conditions and other obligations by the Buyer. If these prerequisites are not met in time, the times shall be extended appropriately; this does not apply if Riedel is responsible for the delay.
(2) If the failure to meet delivery times is due to
   a) force majeure, e.g. mobilisation, war, terrorist acts, riot or similar events (e.g. strike, lockout),
   b) virus and other attacks by third parties on Riedel's IT system, provided they occurred despite compliance with the usual care taken in protective measures,
   c) obstacles due to German, US or other applicable national, EU or international regulations of foreign trade law or due to other circumstances not attributable to Riedel, or
   d) untimely or improper self-delivery,
   e) pandemics or epidemics,
   f) export permits not granted or not usable through no fault of Riedel,

   Riedel shall inform the Buyer immediately and communicate the expected new delivery time. If the service provision is also not possible within the new delivery time, Riedel is entitled to withdraw from the contract in whole or in part or to demand a contract adjustment in accordance with the principles of good faith.
(3) The occurrence of Riedel's delay in delivery is determined according to legal regulations. In any case, a reminder from the Buyer setting a grace period of at least two weeks is required. If Riedel also culpably fails to comply with this grace period, the Buyer, provided he can credibly demonstrate that he has incurred damage as a result, can claim compensation for each completed week of delay starting from the end of the grace period set, amounting to 0.5% of the net price (delivery value),

but in total no more than 5% of the delivery value of the goods delivered late. Riedel reserves the right to prove that the Buyer has suffered no damage or significantly less damage than the aforementioned lump sum.

(4) The Buyer's claims for damages due to delayed delivery as well as claims for damages in lieu of performance that go beyond the limits specified in No. 3 are excluded in all cases of delayed delivery, even after the expiry of any delivery time set for Riedel. This does not apply where liability is mandatory in cases of intent, gross negligence, or due to injury to life, limb or health. The Buyer can only withdraw from the contract within the framework of legal provisions if Riedel is responsible for the delay in delivery. The above provisions do not imply a change in the burden of proof to the disadvantage of the Buyer.

(5) If, at the Buyer's request, shipping or delivery is delayed by more than one month after notification of readiness for dispatch, Riedel may charge the Buyer storage fees for each additional month begun, amounting to 0.5% of the price of the delivery items, but no more than a total of 5%. The contracting parties are free to provide evidence of higher or lower storage costs.

Section 5 Transfer of Risk

(1) Unless otherwise specified in the order confirmation, delivery is "EXW Incoterms 2020" and at the Buyer's risk. The risk of accidental loss and accidental deterioration of the goods passes to the Buyer when the goods have been dispatched or collected. This also applies to freight-free deliveries without installation or assembly. The goods must be accepted after completion. Delivery dates shall be adhered to wherever possible and are non-binding.

(2) Separate agreements apply to the return of packaging.

(3) If the Buyer so wishes, Riedel shall arrange for the delivery to be covered **by transport insurance at the Buyer's expense.**

Section 6 Liability for Defects

(1) The Buyer may not refuse to accept deliveries due to insignificant defects. The Buyer's claims for defects require him to have properly fulfilled his duties of inspection and notification of defects in accordance with Section 377 of the German Commercial Code (HGB). Furthermore, Riedel is not liable for defects that are known to the Buyer or that are unknown to the Buyer due to gross negligence. Riedel is only liable for material defects as follows:

(2) Riedel shall, at its discretion, rectify, redeliver or re-perform all parts or services that exhibit a material defect free of charge, provided the cause was already present at the time of the transfer of risk. If the type of subsequent performance chosen by Riedel is unacceptable to the Buyer in an individual case, he may reject it. Riedel's right to refuse the subsequent performance under the statutory conditions remains unaffected.

(3) Claims for subsequent performance expire 12 months after the transfer of risk; the same applies to withdrawal and reduction. This period does not apply where the law prescribes longer periods according to Sections 438(1)(2) (buildings and items for buildings), 479(1) (right of recourse) and 634a(1)(2) (construction defects) BGB, in cases of intent, fraudulent concealment of a defect or non-compliance with a quality guarantee. Claims for reimbursement of expenses by the Buyer according to Section 445a BGB (seller's recourse) also expire 12 months after the transfer of risk, provided the last contract in the supply chain is not a consumer goods purchase. The legal regulations regarding suspension, interruption and recommencement of the periods remain unaffected.

(4) The Buyer must report defects immediately in writing.

(5) In the event of claims for defects, the Buyer may withhold payments to an extent that is in reasonable proportion to the material defects that have occurred. The Buyer has no right of retention if his claims for defects have expired. If the notice of defects was unjustified, Riedel is entitled to demand reimbursement of its expenses from the Buyer.

(6) If the third attempt at subsequent performance fails, the Buyer, without prejudice to any claims for damages pursuant to No. 9, may withdraw from the contract or reduce the remuneration.

(7) Claims for defects do not exist in the case of only insignificant deviation from the agreed quality, only insignificant impairment of usability, natural wear and tear, or damage arising after the transfer of risk as a result of incorrect or negligent handling, excessive strain, unsuitable equipment, defective construction work, unsuitable building ground, or due to special external influences not assumed under the contract, as well as non-reproducible software errors. If improper modifications, installation/removal or repair work are carried out by the Buyer or third parties, there are also no claims for defects regarding these and the resulting consequences.

(8) The Buyer's claims for the expenses necessary for subsequent performance, particularly transport, travel, labour and material costs, are excluded insofar as the expenses increase because the object of delivery was subsequently taken to a location other than the Buyer's premises, unless the relocation corresponds to its intended use. This applies correspondingly to the Buyer's claims for reimbursement of expenses in accordance with Section 445a BGB (seller's recourse), provided the last contract in the supply chain is not a consumer goods purchase.

(9) Recourse claims of the Buyer against Riedel in accordance with Section 445a BGB (seller's recourse) exist only insofar as the Buyer has not made any agreements with his customer that go beyond the statutory claims for defects.

(10) Claims for damages by the Buyer due to a material defect are excluded. This does not apply in the event of fraudulent concealment of the defect, in the event of non-compliance with a quality guarantee, in the event of injury to life, limb or health and in the event of an intentional or grossly negligent breach of duty by Riedel. The above provisions do not imply a change in the burden of proof to the disadvantage of the Buyer. Further or other claims of the Buyer due to a material defect other than those regulated in this Section 6 are excluded.

Section 7 Industrial Property Rights and Copyrights – Legal Defects

(1) Unless otherwise agreed, Riedel is obliged to deliver only in the country of the delivery location without infringing on industrial property rights and copyrights of third parties (hereinafter: property rights). If a third party raises legitimate claims against the

Buyer due to the infringement of property rights by deliveries made by Riedel and used in accordance with the contract, Riedel shall be liable to the Buyer within the period specified in Section 6 No. 3 as follows:

a) Riedel will, at its own choice and at its own expense, obtain a right of use for the relevant deliveries, modify them so that the property right is not infringed, or exchange them. If this is not possible for Riedel under reasonable conditions, the Buyer is entitled to the statutory rights of withdrawal or reduction.
b) Riedel's obligation to pay damages is governed by Section 10.
c) The aforementioned obligations of Riedel only exist if the Buyer informs Riedel immediately in writing of the claims asserted by the third party, does not recognise an infringement, and reserves all defence measures and settlement negotiations for Riedel. If the Buyer ceases using the delivery for reasons of damage mitigation or another good cause, he is obliged to point out to the third party that the cessation of use does not imply an acknowledgement of an infringement of property rights.

(2) Claims of the Buyer are excluded insofar as he is responsible for the infringement of property rights.
(3) Claims of the Buyer are also excluded insofar as the infringement of property rights is caused by specific instructions of the Buyer, by an application that Riedel could not foresee, or by the fact that the delivery is modified by the Buyer or used together with products not provided by Riedel.
(4) In the case of property right infringements, the provisions of Section 6 Nos. 5, 8 and 9 apply accordingly to the claims of the Buyer regulated in No. 1a).
(5) In the event of other legal defects, the provisions of Section 6 apply accordingly.
(6) Further or other claims of the Buyer against Riedel and its vicarious agents due to a legal defect other than those regulated in this Section 7 are excluded.

Section 8 Condition of Performance

(1) The fulfilment of the contract is subject to the condition that there are no obstacles due to German or other applicable national, EU or international foreign trade regulations, and no embargoes or other sanctions.
(2) The Buyer is obliged to provide all information and documents required for export, transfer or import.

Section 9 Retention of Title

(1) The objects of the deliveries (goods subject to retention of title) shall remain the property of Riedel until all its claims against the Buyer arising from the business relationship are fulfilled. If the value of all security rights to which Riedel is entitled exceeds the amount of all secured claims by more than 20%, Riedel shall release a corresponding part of the security rights at the Buyer's request; Riedel is entitled to choose between different security rights for the release.
(2) During the existence of the retention of title, the Buyer is prohibited from pledging or transferring ownership by way of security, and resale is only permitted to resellers in the ordinary course of business and only under the condition that the reseller receives payment from his customer or makes the reservation that ownership shall only pass to the customer once the latter has fulfilled his payment obligations.
(3) If the Buyer resells goods subject to retention of title, he hereby assigns his future claims from the resale against his customers, with all ancillary rights, including any balance claims, to Riedel for security purposes, without the need for any further special declarations. If the goods subject to retention of title are resold along with other items without an individual price having been agreed upon for the goods subject to retention of title, the Buyer shall assign to Riedel that part of the total price claim corresponding to the price of the goods subject to retention of title invoiced by Riedel.
(4) The Buyer is permitted to process the goods subject to retention of title or to mix or combine them with other items. The processing is carried out for Riedel. The Buyer shall store the new item thus created for Riedel with the diligence of a prudent businessman. The new item shall be considered goods subject to retention of title.
(5) The Buyer and Riedel agree that in the event of combination or mixing with other items not belonging to Riedel, Riedel shall in any case acquire co-ownership of the new item in the ratio of the value of the combined or mixed goods subject to retention of title to the value of the remaining goods at the time of combination or mixing. The new item shall be considered goods subject to retention of title to this extent.
(6) The provision regarding the assignment of claims according to No. 3 also applies to the new item. However, the assignment shall only apply up to the amount corresponding to the value invoiced by Riedel for the processed, combined or mixed goods subject to retention of title.
(7) If the Buyer combines the goods subject to retention of title with real estate or movable objects, he shall, without the need for any further special declarations, also assign his claim to which he is entitled as remuneration for the combination, with all ancillary rights, to Riedel for security purposes, in the ratio of the value of the combined goods subject to retention of title to the other combined goods at the time of combination.
(8) Until revocation, the Buyer is authorised to collect assigned claims from the resale. In the event of good cause, in particular default in payment, cessation of payment, opening of insolvency proceedings, protest of a bill, or justified indications of over-indebtedness or impending insolvency of the Buyer, Riedel is entitled to revoke the Buyer's collection authorisation. Moreover, after prior warning and observance of a reasonable deadline, Riedel can disclose the security assignment, realise the assigned claims and demand that the Buyer disclose the security assignment to the customer.
(9) In the event of seizures, confiscations or other dispositions or interventions by third parties, the Buyer must immediately notify Riedel. If a legitimate interest is demonstrated, the Buyer must immediately provide Riedel with the information necessary to assert his rights against the customer and hand over the necessary documents.
(10) If the Buyer fails to fulfil his duties, especially in the event of default in payment, Riedel is entitled, after the unsuccessful expiry of a reasonable deadline for performance set for the Buyer, to take back the goods and also to withdraw from the

contract; the statutory provisions on the dispensability of setting a deadline remain unaffected. The Buyer is obliged to surrender the goods. The fact of Riedel taking back or asserting the retention of title or seizing the goods subject to retention of title does not constitute a withdrawal from the contract unless Riedel has expressly declared this.

Section 10 Other Claims for Damages – Contract Adjustment

(1) Unless otherwise regulated in these Terms and Conditions of Sale, claims for damages by the Buyer, for whatever legal reason, particularly due to fault upon conclusion of the contract, due to violation of duties arising from the contractual relationship and from tort, are excluded. This does not apply insofar as Riedel is liable under the Product Liability Act, in cases of intent, gross negligence by owners, legal representatives or senior executives, fraud, non-compliance with a guarantee undertaken, or due to the culpable violation of essential contractual obligations.
(2) Compensation for the breach of an essential contractual obligation is limited to the contractually typical and foreseeable damage unless one of the other cases listed in No. 3 is present.
(3) The above provisions do not imply a change in the burden of proof to the disadvantage of the Buyer.
(4) Insofar as liability for damages against Riedel is excluded or limited, this also applies with regard to the personal liability for damages of employees, workers, staff, representatives and vicarious agents of Riedel.

Section 11 Place of Jurisdiction – Place of Performance

(1) If the customer is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, Riedel's place of business is the exclusive – also international – place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship; however, Riedel is also entitled to sue the Buyer at his place of business or at the place of fulfilment of the delivery obligation according to these delivery conditions. The foregoing also applies to entrepreneurs within the meaning of Section 14 BGB. Overriding statutory provisions, especially concerning exclusive jurisdictions, remain unaffected.
(2) The law of the Federal Republic of Germany applies. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.
(3) Unless otherwise stated in the order confirmation, Riedel's place of business is the place of fulfilment.

Section 12 Binding Nature of the Contract

Even if individual points of the contract are invalid, the remaining parts of the contract shall remain binding. This does not apply if adhering to the contract would constitute an unreasonable hardship for one party.