

## General Terms and Conditions of Sale and Delivery Dr. Hönle AG

### §1 General, Scope of Application

- (1) The following General Terms and Conditions of Dr. Hönle AG will apply exclusively, any deviating terms by the customer will not be recognized unless Dr. Hönle AG provides consent in writing. The General Business Terms and Conditions of Dr. Hönle AG will also apply, if Dr. Hönle AG provides the product or services unconditionally despite the knowledge of the customer's terms which deviate from or are contrary to the General Business Terms and Conditions. The General Business Terms and Conditions of Dr. Hönle AG will also apply to future contracts with the customer.
- (2) All agreements regarding the delivery of products and services (hereinafter also synoptically referred to as "subject of the contract") between Dr. Hönle AG and the customer are to be recorded in the present agreement and any possible supplementary agreements in writing.

### § 2 Offer and Conclusion of Transactions, Reservation of Right of Modification

- (1) If an order of the customer can be classified as an offer according to § 145 BGB (German Civil Code), Dr. Hönle AG can accept this offer within four weeks after receipt. Offers by Dr. Hönle AG will not be binding.
- (2) Dr. Hönle AG shall reserve the right to make modifications to design, form or execution of the product. This does not apply, if the quality and merchantability of the product will be compromised or the variation is unreasonable for any other reason.
- (3) In the case a contract is agreed orally, the scope of Dr. Hönle AG's performance is defined by a written affirmation of the contract sent by Dr. Hönle AG.
- (4) Dr. Hönle AG reserves the right to change design, form, and execution of the subject of the contract, insofar as the quality and usability of Dr. Hönle AG's products and services are not compromised and the deviation is not unacceptable for other reasons.
- (5) If a contract is placed due to an estimate of the Dr. Hönle AG, § 650 BGB applies.

### § 3 Supply and Performance Period, Delayed Delivery

- (1) Partial Performance is permissible and will oblige the customer to make a pro-rata payment unless partial performance would be unreasonable for the contract party.
- (2) In case Dr. Hönle AG's performance as agreed in the contract is to be rendered upon request, the customer - unless otherwise agreed - shall be obliged to accept any partial performances of approximately similar amounts. Further, full performance as agreed shall be deemed requested by the customer one month after the agreed period for request has elapsed or if there is no such agreement, three calendar months after closing of the contract.
- (3) Performance periods designated by Dr. Hönle AG are non-binding and subject to change unless otherwise agreed expressly and in written form.
- (4) The beginning of a delivery time given by Dr. Hönle AG presupposes the clarification of all technical questions.
- (5) Compliance with the delivery obligation requires the timely and proper fulfillment of the obligation of the customer. The defence of lack of performance of the contract is reserved.
- (6) Delivery deadlines will have been met if the product has left the factory or if readiness for dispatch has been communicated.
- (7) Events of force majeure will entitle Dr. Hönle AG to postpone the delivery of the product or the rendering of the service for the duration of the obstruction. Events of force majeure are events which completely prevent or unreasonably impede the provision of a product or service and which are not attributable to Dr. Hönle AG, e.g. legal strikes or legal lockouts, war, import and export bans, energy and raw material shortages, official measures/facts, delayed supply of merchandises to Dr. Hönle AG itself, for which it is not responsible. If the impairment lasts longer than two months, the customer will have the right to rescind the contract after the stipulation of a grace period if he can prove that a complete or part performance of the contract is no longer of relevance to him because of the delay.
- (8) Dr. Hönle AG is liable - in accordance with the legal regulations - for a delay in delivery in so far as the delay is based on a breach of contract caused by Dr. Hönle AG in an intentional or grossly negligent manner; a fault of the representatives and vicarious agents of Dr. Hönle AG shall be attributed to this. In so far as the delay in delivery is not based on a breach of contract caused intentionally by Dr. Hönle AG, the liability for compensation is limited to the foreseeable and typically occurring damage. Furthermore, Dr. Hönle AG is liable in accordance with the legal regulations in so far as the delay caused by Dr. Hönle AG is

based on a culpable breach of a fundamental contractual obligation; in this case, however, the liability for compensation is limited to the foreseeable and typically occurring damage.

- (9) If the acceptance by the customer is delayed or if he violates any other of his cooperative duties culpably, Dr. Hönle AG can claim compensation for the damages incurred, including any additional expenses. The risk of an accidental destruction or deterioration of the subject of the contract will pass to the customer on the date on which the customer delays the acceptance of the subject of the contract. If the shipment or delivery is delayed on customer's request for more than one month after notification of readiness for shipment, Dr. Hönle AG may claim a storage fee of 0.5% of the sales price of the relevant products, for every month, but no more than 5% in total. Both Dr. Hönle AG and the client are entitled to proof of higher or lower storage cost.

#### **§ 4 Prices, Terms of Payment, Delay, Set-off, Right of Retention**

- (1) All prices charged by Dr. Hönle AG will be ex works (Dr. Hönle AG) without set up and installation plus the respective statutory turnover tax (German Vat). expenses for packing and return of packaging material will be charged separately. If the customer asks for delivery, the same applies for the delivery costs.
- (2) Price changes are permissible if the period between closing of the contract and the agreed time of performance exceeds six weeks. In case a price change is permissible, the following applies: In case wages, material cost, or cost prices on market conditions (catalogue prices) increase or exchange rates change prior to performance, Dr. Hönle AG may reasonably adjust the prices according to the increase in costs..
- (3) Payment is due without deduction within 30 days after invoice date. Payment is in time, if the invoice amount is credited to Dr. Hönle AG's bank account indicated on the invoice. If the customer does not pay the invoice amount within the aforementioned period, the customer falls in default without demand. Further claims for damages remain unaffected.
- (4) Dr. Hönle AG reserves the right to demand advance payments.
- (5) In cases in which -after closing of the contract - doubts arise regarding the customer's ability to pay Dr. Hönle AG's claims or his creditworthiness Dr. Hönle AG is entitled to render performance only after the customer's performance or versus collateral in the form of a directly enforceable, irrevocable guarantee from a German major bank. In case the contractual partner does not comply with this request even after fixing a time period for performance including a notice of the intention to rescind the contract after the set period of time, Dr. Hönle AG may rescind the contract, excluding any rights for compensation of contract party.
- (6) The customer will only be entitled to a setoff, if his counterclaim is res judicata, uncontested or recognized by Dr. Hönle AG.
- (7) The customer will only be entitled to retention, if his counterclaim is res judicata, uncontested or recognised by Dr. Hönle AG.

#### **§ 5 Customer's Responsibilities, acceptance**

- (1) The customer must make available to Dr. Hönle AG all documents required for the performance of the subject of the contract free of cost and in a timely manner. Dr. Hönle AG is not obliged to check the content of the documents made available by the customer as well as such designated requirements (specifications, functions, and technical details) for potential flaws or infringements of third party rights following the implementation of the specified requirements, unless otherwise agreed expressly.
- (2) Insofar as the customer renders own services or services are rendered by third parties (including the delivery of goods) the contract party is responsible for the co-ordination of the individual work processes as well as the compliance with applicable safety regulations and provisions for prevention of accidents.
- (3) In case the contract party does not render his co-operation duties to the required extent or Dr. Hönle AG is inhibited in rendering the agreed due to circumstances within the contacting partner's risk, Dr. Hönle AG is exempt from the performance obligations for the duration of the impediment and to the extent of its impact and may ask for reasonable compensation for any additional costs incurred hereby. Dr. Hönle AG in that case will set off any expenses saved or amounts received from other orders. The risk of accidental loss or accidental deterioration of the contractual services is transferred to the contract party at the time he is in default with accepting delivery.
- (4) If Dr. Hönle AG is obliged to perform work (Werkleistung) or to supply labour and materials (Werklieferung), the customer is obliged to conduct a formal acceptance, within two weeks from the transfer of risk (see. § 6). If this does not happen, the acceptance shall be deemed to have occurred (acceptance fiction). Acceptance fiction is also deemed if the subject of contract - possibly after completion of an agreed test phase- has been put to use.

#### **§ 6 Passing of risk, Transport insurance**

- (1) Deliveries by Dr. Hönle AG will be ex works (Dr. Hönle AG) - Incoterms 2010/EXW. The risk will pass to the customer when the product is handed over to the carrier (that is, the person performing the transport) for transport; this will also apply in the case of transport by Dr. Hönle AG itself.

- (2) If the products are dispatched, Dr. Hönle AG will conclude a transport insurance contract for the benefit of the customer at the latter's request and expense. Any damage incurred during transport must be reported immediately in writing to Dr. Hönle AG and to the forwarding agent transporting the goods.

## § 7 Guarantee of Retention of Title

- (1) Dr. Hönle AG will retain title to the products until all payments under the entire business connection have been received. In the case of violation of the contractual obligations by the customer, in particular in case of delayed payment, Dr. Hönle AG will have the right to repossess the products. The repossession of the products by Dr. Hönle AG will constitute a rescission of the agreement. After return of the products, Dr. Hönle AG is authorised to utilise them, and the proceeds from utilisation shall be credited against the liabilities of the customer – minus appropriate utilisation costs.
- (2) The customer must handle the products with due care; in particular, he must adequately insure them at his own expense against damage by fire, water or theft at their replacement value. If maintenance and inspection work is necessary, it must be carried out at the customer's own expense.
- (3) In the case of pledgings or similar acts by third parties, the customer must inform Dr. Hönle AG immediately in writing so that Dr. Hönle AG can bring a legal action as provided for in § 771 ZPO. If the third party is not able to reimburse Dr. Hönle AG for court and extrajudicial costs of the legal action as provided for in § 771 ZPO, the customer will be liable for the loss incurred by Dr. Hönle AG.
- (4) The customer is entitled to re-sell the products in an orderly business transaction; however, the customer already assigns at this point all receivables amounting to the final sum of the invoice (including VAT) of the receivable of Dr. Hönle AG that he gains from the re-sale to his customer or third parties. This is the case irrespective of whether the contractual object was resold without or after processing. The customer remains authorised to collect this receivable even after assignment of the receivable. The authorisation of Dr. Hönle AG to collect this receivable itself, remains unaffected by this. However, Dr. Hönle AG undertakes not to collect this receivable as long as the customer meets payment obligations from the revenues collected, does not have any payment arrears and in particular has not applied for composition or bankruptcy proceedings or if payment has been stopped. However, if this is the case, Dr. Hönle AG can request that the customer of Dr. Hönle AG reveals the assigned receivables and their debtors, provides all information required for collection, hands over the corresponding documents and informs the debtors (third parties) of the assignment.
- (5) The processing or alteration of the product by the customer will be done for Dr. Hönle AG at all times. If the product is processed with other objects that do not belong to Dr. Hönle AG, Dr. Hönle AG acquires the co-ownership of the new object in the ratio of the value of the contractual object (final invoice amount, including VAT) to the other processed objects at the time of processing. For the rest, the same applies to the object, created by processing, as for the product supplied under reservation.
- (6) If the product is inseparably mixed with other objects that do not belong to Dr. Hönle AG, Dr. Hönle AG acquires the co-ownership of the new object in the ratio of the value of the contractual object (final invoice amount, including VAT) to the other mixed objects at the time of mixing. If the mixing is done in such a way that the object of the customer may be viewed as the main object, it is agreed that the customer will transfer a pro-rata co-ownership to Dr. Hönle AG. The customer is the custodian of the sole or co-ownership created in this way for Dr. Hönle AG.
- (7) The customer also assigns to Dr. Hönle AG the receivables for securing the receivables against the customer attributed to Dr. Hönle AG that the customer acquires through the combination of the product with a plot of land vis-à-vis a third party.
- (8) Dr. Hönle AG undertakes to release the securities attributed to Dr. Hönle AG at the request of the customer in so far as the realisable value of the securities of Dr. Hönle AG exceeds the receivables to be secured by more than 10%; the selection of the securities to be released is the responsibility of Dr. Hönle AG.

## § 8 Liability for defects

- (1) The prerequisite for the customer's warranty rights is that the latter has properly complied with his inspection and complaint duties according to § 377 HGB (German Commercial Code).
- (2) In so far as there is a defect of the subject of the contract, the customer at the discretion of Dr. Hönle AG has a claim to post-fulfilment in the form of correction of the defect or to the delivery of a new subject of the contract that is free of defects. In this case Dr. Hönle AG has the choice to fulfil its obligation by eliminating the defect or replacing the subject of the contract. In the case of an entrepreneur recourse according to § 478 BGB contrary to sentence 1, the customer is entitled to choose. In the event of defect correction, Dr. Hönle AG undertakes to bear all the necessary expenses, in particular, transport costs, costs of passage, work and material costs, for the purpose of correcting the defect; in so far as these are not increased by the fact that the subject of the contract has been brought to another location as the place of performance.
- (3) If the post-fulfilment fails, the customer is entitled at its own discretion to demand a withdrawal or price reduction.

- (4) Dr. Hönle AG is liable in accordance with the legal regulations, in so far as the customer asserts claims for compensation that are based on intention or gross negligence, including the intention or gross negligence of the representatives or vicarious agents of Dr. Hönle AG. In so far as Dr. Hönle AG is not guilty of any intentional breach of contract, the liability for compensation is limited to the foreseeable and typically occurring damage.
- (5) Dr. Hönle AG is liable in accordance with the legal regulations in so far as Dr. Hönle AG commits a culpable breach of a fundamental contractual obligation; in this case, however, the liability for compensation is limited to the foreseeable and typically occurring damage.
- (6) The liability for culpable injury of life, body or health remains unaffected by this; this also applies to mandatory liability in accordance with the product liability act.
- (7) Unless otherwise stipulated above, liability is excluded.
- (8) The limitation period for defect claims is 12 months, calculated from transfer of risk. This does not apply if the respective defect is caused by a product, which is commonly used for buildings.
- (9) In the event of an entrepreneur recourse in accordance with §§ 478, 479 BGB (German Civil Code), the legal limitation period applies.

### § 9 Overall liability

- (1) A liability for compensation that exceeds that provided for in § 8 is excluded, without consideration of the legal nature of the claim made. This applies in particular to compensation claims resulting from defaults on the conclusion of the contract, due to other breaches of obligations or due to tortious claims for compensation of material loss in accordance with § 823 BGB (German Civil Code).
- (2) The limitation under aforementioned subparagraph (1) also applies, if the customer claims replacement of frustrated expenses instead of compensation.
- (3) In so far as the liability for compensation of Dr. Hönle AG is excluded or limited in relation to the customer, this also applies with regard to personal liability for compensation of Dr. Hönle AG's staff, workers, employees, representatives and vicarious agents.

### § 10 Intellectual Property

- (1) Offering material, cost estimates, drafts, drawings, and calculations ("Documents") shall remain the sole property of Dr. Hönle AG and may not be copied or made available to third parties without Dr. Hönle AG's written consent. If a contract is not closed, Dr. Hönle AG's Documents must be returned immediately and complete and potential copies made must be destroyed.
- (2) In case inventions are made by Dr. Hönle AG within the scope of the business relationship, Dr. Hönle AG shall solely be entitled to make use of the rights deriving therefrom, especially of patents.

### § 11 Seller liability according to the electrics law, Dodd-Frank-Act

- (1) Except for intention or gross negligence on the part of Dr. Hönle AG, its organs as well as workers, staff and employees of Dr. Hönle AG, Dr. Hönle AG assumes no liability if products acquired from third parties contain substances in concentrations or applications whose bringing into circulation after 01.07.2006 is forbidden in accordance with the law on the bringing into circulation, the return and environmentally-friendly disposal of electric and electronic appliances ("ElektroG") in its currently valid version. The aforementioned regulation also applies if the products acquired were processed or refined or altered by Dr. Hönle AG before they were sold to the customer. In so far as a claim of Dr. Hönle AG is eliminated by the aforementioned regulation, Dr. Hönle AG herewith cedes any claims of Dr. Hönle AG vis-à-vis the third party to the customer.
- (2) Dr. Hönle AG strives to keep all products, manufactured by Dr. Hönle AG, free of conflict minerals as defined by the current version of the Dodd-Frank Act (tantalum, tin, tungsten and gold from the DR Congo or the neighbouring countries). Therefore, it is Dr. Hönle AG's goal, to pledge Dr. Hönle AG's suppliers that their goods do not contain any of the aforementioned conflict materials likewise. However the assumption of a warranty obligation or any liability of Dr. Hönle AG for material used by Dr. Hönle AG's suppliers or their sub suppliers are hereby excluded to the extent permissible.

### § 12 Miscellaneous

- (1) In so far as the customer is a merchant, the registered office of Dr. Hönle AG is the place of jurisdiction; however, Dr. Hönle AG is entitled to sue the customer at the latter's place of jurisdiction.
- (2) In so far as the order confirmation does not indicate otherwise, the registered office of Dr. Hönle AG is the place of performance.
- (3) The law of the Federal Republic of Germany applies. The application of the UN Convention on the International Sale of Goods (CISG) is excluded.

Head Office

- (4) The customer himself ensures that the relevant foreign trade regulations are adhered to.
- (5) Reference is made to the fact that customers must observe the currently valid ICAO/IATO regulations if they ship the products purchased from Dr. Hönle AG (shipment to third parties or return shipment to Dr. Hönle AG).
- (6) This English language version of the General Terms and Conditions of Sale and Delivery of Dr. Hönle AG is a translation of the original German language version of the General Terms and Conditions of Sale and Delivery of Dr. Hönle AG ("Allgemeine Verkaufs- und Lieferbedingungen Dr. Hönle AG"). If there are any contradictions or inconsistencies between the original German language version and this translation, the German language version shall prevail.

Status: 04/2015