

General Terms and Conditions of PAN-DUR GmbH

I. Preamble

- (1) The following Terms and Conditions apply to all purchase contracts and other contracts concluded between us and another party - hereinafter "Customer". The following terms apply exclusively to entrepreneurs, provided nothing different has been expressly stated. For the purposes of this condition, enterprises are natural or legal persons or partnerships with legal personality with which a business relationship is entered into and which exercise a commercial or independent occupational activity (§ 14 BGB - German Civil Code).
- (2) Agreements to the contrary as well as any corollary agreements, whether oral, by telephone or in any other form only become valid and effective after written confirmation from us and any such agreements will be incorporated into the contract. Issued orders constitute approval of the following terms. We shall not be bound by the terms and conditions of the Customer. We hereby expressly repudiate the terms and conditions of the Customer. The Customer's terms and conditions do not apply to us even if in an individual case we did not expressly repudiate them.
- (3) Our Terms and Conditions also apply to all future business with the Customer.

II. Offers

- (1) Our offers are non-binding. Price quotations are non-binding.
- (2) All agreements made between us and the Customer for the purpose of executing this contract and any amendments and supplements to them must be recorded in writing in this contract. Oral agreements must be confirmed by us in writing in order to be valid. Oral corollary agreements have not been made.
- (3) We reserve all exploitation rights deriving from property rights and copyrights to all drawings, calculations and other documents that we have given and/or communicated to the Customer within the scope of the contractual relationship. Such documents may only be made available to third parties with our advance (b.: prior approval and must be returned to us immediately upon request.
- (4) To the extent that the Customer receives confidential information from us regarding our manufacturing processes or production procedures during the negotiation of the contract or over the course of the contract, the Customer undertakes to maintain confidentiality vis-à-vis third parties. Such information may only be disclosed to third parties to the extent necessary for the execution of the contract and any third parties to whom it is disclosed must also be required to maintain confidentiality. The confidentiality obligation also applies to the period following the end of the contractual relationship and in the case that no contract has been formed (b. brought about). The confidentiality obligation lapses if the confidential information becomes public knowledge through no fault of the Customer.
- (5) To the extent that the Customer makes technical or other modifications to our offer in its order, the Customer must expressly notify us of these modifications in writing. This obligation to provide written notification also applies if we have already begun production of the goods. In the event of such modifications, we reserve the right to recalculate the offer based on the order and to adjust the prices based on the difference in the amount of work, whether more or less than initially calculated. We will document the extra work or that less work was done if so requested by the Customer. Development costs, as well as manufacturing and production costs, that can no longer be used for the modified product within the scope of the development, manufacture or production of the modified factory must be borne by the Customer. If production has begun, we are equally entitled to reject modifications, provided it is no longer possible to modify production.

III. Prices

- (1) Prices are in euro currency, without packaging or loading, from the factory, excluding transport skids and packaging, as well as insurance, value-added tax, etc. Provided nothing different has been agreed, assembly and materials costs will be identified separately.
- (2) For small orders not more than 100 € there will be an extra charge.
- (3) Prices are based on the previous cost factors. If increased costs are incurred before delivery for reasons not attributable to us, in particular due to wage agreements or increased material prices, we reserve the right to adapt the prices. We will document increased costs if so requested by the Customer.
- (4) Special requests that differ from normal factory production, either technically or commercially, or with regard to assembly, will be charged separately based on the work done.
- (5) Subsequent modifications of any sort can only be performed for a fee.

IV. Scope and term of delivery

- (1) The scope of the deliveries and services is established in the written agreements between the parties.
- (2) The term of delivery begins once all details of the order have been clarified and both parties agree on all terms of the order. If we have agreed on an advance payment with the Customer, the term of delivery begins once the Customer has fulfilled its obligation to render advance payment.
- (3) Our term of delivery is contingent upon whether we ourselves receive correct and timely deliveries.
- (4) If it is not possible to ship the goods for reasons not attributable to us, the provision of the goods shall be deemed to fulfill the contract.
- (5) We endeavour to respect (b. to observe) the term of delivery; however, all impediments, delays and/or disruptions to production processes not attributable to us release us for a period of up to three weeks from the original time of delivery, after we have informed the Customer. We will document the impediments upon request. The Customer's statutory rights to withdrawal remain unaffected hereby.
- (6) To a reasonable extent, partial deliveries are permissible and must not be rejected by the Customer.

V. Payment terms

- (1) Provided nothing different has been agreed, payments are due immediately once the goods have been delivered and/or the services rendered, regardless of invoicing or receipt of in-voice.
- (2) Late payment fees are calculated at 8 percentage points above the base interest rate. If we are able to document higher damage due to late payment, we are entitled to claim such higher damage. The acceptance of bills of exchange, cheques, payment orders and similar instruments remains subject to our discretion.
- (3) If the Customer falls into arrears with a payment claim, all of our payment claims shall become due for payment immediately. If circumstances indicating that the asset situation of the Customer has worsened come to light after the conclusion of the contract, e.g. negative creditworthiness information, application to initiate or reject an insolvency application, out-of-court debt settlement proceedings, bill protest, legal actions, etc., all of our payment claims shall become due for payment immediately. In this case, we are furthermore entitled to make the rendering of further services dependent on advance payment of the expected invoice amount.
- (4) If it becomes evident after the conclusion of the contract that our claim to consideration is endangered by the Customer's inability to pay, we may establish a reasonable period for the Customer in which we can render our services in exchange for concurrent performance or provision of a surety by the Customer. If the period expires without result, we are entitled to withdraw from the contract and to seek damages instead of performance.
- (5) The Customer is not entitled to assign its payment claims against us to third parties or to offset with, or base a right of retention on, anything other than undisputed payment claims or those declared valid by a court of competent jurisdiction.

VI. Transport / Shipping

- (1) Shipping is at the risk and expense of the Customer. All risk passes to the Customer when the contract goods are shipped or picked up, without regard to the type of delivery agreed on in an individual case.
- (2) We will determine the transport route and method of transportation. This determination is made at our discretion in favour of the least expensive shipping method and to the exclusion of all liability.
- (3) In the event of damage incurred during transport, such damage must be reported in writing immediately; the goods may only be used after we give our approval.
- (4) The course of the business transaction remains unaffected thereby. Claims for compensation due to damage incurred during transport which occurred after the transfer of risk must be settled between the Customer and the carrier company.

VII. Reservation of title

- (1) We reserve title to the contract goods until payment has been made on all payment claims deriving from the business relationship with the Customer. In the event of open accounts, this also applies explicitly to the payment claim deriving from the given excess. Cheques are accepted on account of performance and are deemed to be received payments only after final redemption without any risk of reversion.
- (2) The Customer is only entitled to resell the contract goods, collect the assigned proceeds of the sale, to use and/or process the contract goods and to incorporate the contract goods into an item within the usual and proper course of business and only in accordance with the following terms.
- (3) The Customer hereby assigns all payment claims deriving from the resale of the contract goods and/or processing of the contract goods to us, up to the amount invoiced for the contract goods (including value-added tax), regardless of whether the supplied contract goods were resold without processing or after having been processed. We accept the assignment.
The Customer is not entitled to other disposal of the contract goods, in particular by pledging or assignment as security. If it is not possible for legal or actual reasons to transfer the payment claims to us, the Customer is not entitled to resell. In the event that the contract goods are incorporated into another item within the scope of a services contract, the Customer assigns all payment claims from the services contract to us, up to the amount invoiced for the contract goods (including value-added tax). The Customer remains authorised to collect the payment claim even after assignment. Permission to collect the payment claims ourselves remains unaffected hereby. We will not collect the payment claims ourselves, however, for as long as the Customer fulfils its payment obligations, is not in arrears and, in particular, no insolvency proceedings have been applied for against it and/or the Customer's authorisation to collect the assigned payment claims pursuant to para. 8 has not expired of its own accord or if we have not revoked the collection authorisation for other reasons. If this is the case, how-ever, we can require the Customer to disclose the assigned payment claims and their obligors to us and to provide all information necessary for collection, to distribute the related documents and to disclose the assignment to the obligors (third parties).
- (4) If the contract goods are combined with other items that do not belong to us, we acquire co-ownership of the new item proportional to the invoiced value of the contract goods (including value-added tax) compared to the value of the other goods at the time of processing. If the Customer acquires sole ownership by way of combination, the Customer hereby transfers co-ownership to us proportional to the invoiced amount of the contract goods (including value-added tax) compared to the other goods at the time of the combination. In these cases, the Customer must store the items that we own or co-own - which are also deemed contract goods within the meaning of these terms - at no charge.
- (5) If the contract goods are sold by the Customer, either solely or together with goods that do not belong to us, the Customer hereby assigns to us with priority the payment claims deriving from resale to the extent of the invoiced amount of the contract goods (including value-added tax). We accept the assignment. The value of the contract goods is the amount invoiced by us, including value-added tax. If we are co-owners of the resold contract goods, the assignment of the payment claim extends to the amount equivalent to the proportion of our co-ownership. If the contract goods are integrated by the Customer into the item of a third party, the Customer hereby assigns to us with priority the outstanding assignable payment claims against the third party, or the party involved, up to the amount of the invoiced amount of the contract goods (including value-added tax) for the purposes of acquiring a mortgage. We accept the assignment.
- (6) The Customer also assigns to us with priority the payment claims due to it against third parties deriving from the demise, damage, theft or loss of the contract goods, up to the invoiced amount of the contract goods (including value-added tax).
- (7) The Customer must notify us immediately of levies of execution by third parties in the contract goods or the assigned payment claims and give us the documents necessary to object. Insofar as the third party is not able to compensate us for the expenses incurred in and out of court in connection with an action against execution, the Customer is liable for the loss incurred.
- (8) The authorisation to collect the assigned payment claims and the right to resell and to collect the assigned proceeds of the sale, to use or incorporate the contract goods automatically lapses in the event of suspension of payment, application for, or the initiation of, insolvency proceedings, the execution of an out-of-court debt settlement procedure, as well as protest to a cheque or bill of exchange, without our having to expressly revoke the collection authorisation, the resale or the right to incorporate and to use the goods.
- (9) We undertake to release the sureties due to us upon request by the Customer only to the extent that the achievable value of our sureties surpasses the secured payment claims by more than 10%; the selection of the sureties to be released is at our discretion.

VIII. Liability for defects

- (1) Our liability for defects requires that the Customer has properly fulfilled its inspection and objection duties in the individual case pursuant to § 377 HGB – German Commercial Code. Obvious defects must be reported immediately in writing, however not later than 10 business days after receipt of the goods. Concealed defects must be reported in writing not later than 10 business days after discovery of the defect. The above obligation to report defects also applies to the Customer in respect of obvious defects even if no inspection and objection obligation exists pursuant to § 377 HGB, with the provision that obvious defects must be reported in writing not later than 14 business days after receipt of the goods.
Nothing about the defective goods may be changed, nor may they be used without our approval.
- (2) In the case of pure wage work based on the drawings and documents of the Customer, we are only liable for proper and professional work and execution. We are not obligated to inspect the documents given by the Customer.
- (3) Our liability for supplementary performance is initially our choice of correcting the defect or supplying a defect-free item (replacement). If we are not prepared or able to correct the defect or provide replacement goods, or especially if this circumstance extends beyond reasonable periods or if the correction of defects/supply of replacement goods is not accomplished for other reasons, the

Customer is entitled to a choice of withdrawal, or reduction and damages within the scope of the liability limitation (Section IX. Overall liability).

- (4) To the extent that the Customer is entitled to a claim for compensation of damage instead of performance, our liability is also limited, within the scope of the above para. 3, to compensation of foreseeable, typical types of damage.
- (5) If the Customer receives defective assembly instructions, we are only obligated to supply defect-free assembly instructions and only if the defect in the assembly instructions prevents proper assembly.
- (6) The limitation period for defect claims is 12 months from the time risk is transferred. This does not apply to the extent that the law provides for a longer limitation period pursuant to §§ 438 para. 1 no. 2, 634(a) para. 1 no. 2 BGB and §§ 478, 479 BGB. This also applies to claims deriving from a warranty or due to injury to life, body or health or due to a grossly negligent or willful breach of obligations or fraudulently concealing a defect. The provisions in law regarding the suspension of the limitation period, suspension and the recommencement of the limitation period remain unaffected hereby.
- (7) The Customer receives no warranties in the legal sense from us. Manufacturer warranties remain unaffected hereby.
- (8) The Customer must compensate us for the costs and expenses incurred should it become evident at a later time that we have borne costs or expenses within the scope of supplementary performance or fulfilling a warranty when either no defect was present or warranty coverage is excluded by the above terms.
- (9) We do not accept liability for defects caused by natural wear, improper use, operation and maintenance or by the use of unsuitable equipment. After the transfer of risk, we are not liable for defects due to excess load or the influence of buildings, weather and other environmental factors, provided the purchased goods are not suitable for use when exposed to the aforementioned factors, either because it is provided for in the contract or on account of what is considered normal use.
- (10) If we are obligated to take back goods to which objection has been made or defective goods, or if we declare ourselves prepared to take back goods, the Customer undertakes to grant us in writing a reasonable period in which to pick up the goods. The Customer is entitled to send back the goods only after expiry of the period. The Customer bears the costs for any return shipment made before expiry of this period.

IX. Overall liability

- (1) To the extent that nothing different is provided for below, liability for damages beyond that foreseen in VIII is excluded, regardless of the legal basis. This applies in particular to damage claims in connection with fault at the conclusion of the contract on account of other breaches or property damage compensation claims in tort pursuant to § 823 BGB. The limitation of the above terms also applies if the Customer seeks replacement of useless expenditures instead of performance and instead of compensation for the damage.
- (2) The above exemption from liability does not apply to claims of the Customer based on the assumption of a warranty for the suitability of the purchased goods, to liability for damages deriving from injury to life, body or health, or to liability pursuant to the German Product Liability Act; it also does not apply to the extent that the cause of the damage is based on willful misconduct or gross negligence, or if a defect was fraudulently concealed by us.
- (3) We are further liable if we culpably breach a material contractual obligation whose fulfillment is required to properly execute the contract and which the other party to the contract can regularly trust to be observed. In this case, however, liability for damages is limited to the foreseeable, typical type of damage.
- (4) To the extent that our liability is excluded or limited by us, this also applies to the personal liability of our staff, employees, workers, representatives and vicarious agents.

X. Final Provisions

- (1) If nothing different is specified in the order confirmation, the place of performance for all liabilities deriving from the business relationship is 74706 Osterburken, Germany.
- (2) The venue for all disputes deriving from the contractual relationships between us and the Customer, including bills of exchange and cheques, is 74706 Osterburken, provided the Customer is an entrepreneur. We are also entitled to bring actions against the Customer at its place of jurisdiction.
- (3) The contractual relationship is governed exclusively by German law. Neither the principles of conflict of laws nor the United Nations Convention on the International Sale of Goods apply.