

General Terms and Conditions of Sale, Delivery and Payment of G. Schmid GmbH

Last updated: 06.07.2022

1. Worth

- 1.1. These terms and conditions apply to all contracts for the delivery of goods and services between G. Schmid GmbH (hereinafter referred to as SCHMID) and entrepreneurs within the meaning of §14 of the German Civil Code (BGB) as well as legal entities under public law. Deviating terms and conditions of the customer will not be recognized, unless SCHMID expressly agrees in writing.
- 1.2. Subject to the inclusion of amended terms and conditions of business by SCHMID, these General Terms and Conditions of Sale and Delivery shall also apply to future contracts between SCHMID and the Purchaser, without the need for re-incorporation.
- 1.3. These General Terms and Conditions of Sale and Delivery apply only to entrepreneurs within the meaning of § 14 of the German Civil Code (BGB), legal entities under public law and special funds under public law.

2. Contract

- 2.1. Our offers are subject to change. A contract is only concluded by our written confirmation or by executing the delivery. Changes and ancillary agreements must be made in writing.
- 2.2. Telephone or verbal agreements before or at the conclusion of the contract must be in writing in order to be effective. Verbal orders, ancillary agreements or changes to the contract already concluded shall only become valid upon written confirmation by SCHMID
- 2.3. The type and scope of the delivery shall be determined exclusively by the written order confirmation from SCHMID.

3. Date of delivery

- 3.1. Delivery periods shall only commence after the customer has fully fulfilled all obligations to cooperate. Force majeure and unforeseeable events will extend the delivery time appropriately. Partial deliveries are permissible as far as reasonable.
- 3.2. Delivery dates or deadlines presuppose that the customer fulfils all obligations incumbent on him, such as the provision of technical data, documents, existing sample parts, issuing of permits and approvals as well as, depending on the

by agreement, a deposit or the handing over of a payment guarantee duly fulfilled. This does not apply if and to the extent that SCHMID is responsible for the delay.

- 3.3. In the event of temporary impediments to performance due to force majeure, the agreed performance period shall be extended appropriately. The same applies to other unforeseeable circumstances for which SCHMID is not responsible, such as fire, natural disasters, strikes, shortages of energy or raw materials as well as official orders. SCHMID will inform the customer immediately of the beginning and end of such events.
- 3.4. Liability for delays in performance for which SCHMID is responsible due to slight negligence is limited to foreseeable damage typical of the contract.
- 3.5. Deviations in quantity within customary tolerances are permitted. Partial deliveries can also be made, provided that they are reasonable for the customer.
- 3.6. Transport insurance is only taken out at the express request of the customer; the costs incurred for this shall be borne by the customer. Unless otherwise agreed, the customer is obliged to assert the claims assigned to him for transport damage himself and to arrange for the necessary damage to be recorded by the competent authority
- 3.7. If an insolvency application is filed for the customer's assets, an asset information is provided in accordance with Section 807 of the Code of Civil Procedure, payment difficulties arise or we become aware of a significant deterioration in the customer's financial situation after the conclusion of the contract, we are entitled to stop deliveries immediately and refuse to fulfill current contracts, unless the customer provides the consideration or provides appropriate security at our request.

4. Passing

- 4.1. The risk passes to the customer as soon as the goods leave the SCHMID factory or as soon as readiness for shipment has been indicated. In the case of agreed acceptance, the legal regulations apply.
- 4.2. If acceptance is to be carried out, the statutory regulations for the transfer of risk apply.

5. Warranty

- 5.1. The legal regulations apply. SCHMID is entitled to make improvements or provide replacements at its own discretion. Claims for defects expire after 12 months from delivery, insofar as legally permissible.
- 5.2. In all other respects, the statutory provisions on withdrawal and reduction apply.
- 5.3. Claims for damages due to assured properties only exist if the assurance was intended to prevent the damage that has occurred. For others
We are only liable for claims for damages arising from defects in the event of intent or gross negligence as well as in the event of a breach of essential contractual obligations; in the event of slight negligence, liability is limited to typical, foreseeable

damages. Claims arising from product liability, fraudulent concealment of defects and injury to life, limb or health remain unaffected.

- 5.4. The customer is obliged to check the suitability of the delivered goods for the intended purpose himself.
- 5.5. There is no defect in the event of natural wear and tear, improper handling or storage, unagreed use, false information provided by the customer or unsuitable material specified or provided by the customer.
- 5.6. Deviations customary in the industry, in particular quantity deviations of up to $\pm 10\%$, are permissible, unless otherwise agreed.
- 5.7. Claims due to defects expire within 12 months of delivery, insofar as legally permissible.
- 5.8. In the event of infringement of intellectual property rights through the use of the delivery item, we will provide the customer with a right of use at our expense or adapt the item in such a way that there is no longer an infringement. If this is not possible, both parties can withdraw from the contract. We indemnify the customer from undisputed or legally established claims, provided that he informs us immediately and enables us to take the defensive measures.

6. Liability and statute of limitations other than warranty claims

- 6.1 SCHMID is only liable for intent and gross negligence as well as for injury to life, body or health. In the event of slight negligence, we are only liable for the breach of essential contractual obligations and limited to the typical, foreseeable damage.

7. Prices and Payment

- 7.1. Our prices are net ex works Esslingen plus statutory taxes. Payments are due within 14 days of the invoice date without deduction. In the event of default, we charge statutory default interest.
- 7.2. All payments by the customer are to be made in euros.
- 7.3. The agreed price is due according to the offer. At the latest when the goods are shipped (leaving our factory) or when series production begins, the Invoice amount to be paid without deduction within 14 days of invoicing. The statutory default interest is based on § 288 BGB
- 7.4. Discounts and agreements on payment terms must be shown in the order confirmation and are subject to full and timely payment by the customer.
- 7.5. The date of receipt of payment shall be deemed to be the day on which the amount is received by SCHMID or credited to SCHMID's bank account without reservation. The risk of the payment method is at the expense of the customer. In the event of default of payment by the Purchaser, SCHMID shall be entitled to charge interest in the amount

of 6 percentage points above the base interest rate for the duration of the delay. This does not limit the right to assert further claims for damages.

- 7.6. Furthermore, in the event of default of payment by the Purchaser, SCHMID may either demand outstanding remaining purchase price instalments or other claims against the Purchaser, as well as make further deliveries under this contract or from other contracts dependent on a prior provision of security or payment concurrently against delivery.
- 7.7. The customer is only entitled to offset or withhold payments if his counterclaim is undisputed or legally established.

8. Ownership

- 8.1. The delivered goods remain the property of G. Schmid GmbH until all claims have been paid in full. The customer is entitled to resell the goods in the ordinary course of business; Claims arising from this are assigned to us in advance.
- 8.2. The customer is obliged to inform us immediately of seizures or other interventions by third parties in the goods subject to retention of title. In the event of default of payment or a significant deterioration of the customer's financial situation, we are entitled to prohibit the resale, to demand the return of the goods subject to retention of title or to demand payment directly from the customer's customer.
- 8.3. The customer may resell the goods in the ordinary course of business. He assigns the resulting claims to us with all ancillary rights – regardless of whether the goods have been processed, combined or mixed. If the account is included in a current account, the assignment also extends to the current account balance claim.
- 8.4. The customer remains authorized to collect the assigned claims as long as he duly meets his payment obligations. We can revoke this authorization at any time, in particular in the event of default in payment or imminent insolvency.
- 8.5. The retention of title in accordance with the above provisions remains in place even if individual claims of SCHMID are included in a current invoice and the balance is drawn and recognised. The retention of title then extends to the current account balance claim.
- 8.6. If the realisable value of our collateral exceeds the receivables by more than 10%, we release collateral of our choice at the customer's request.
- 8.7. The retention of title in accordance with the above provisions expires when all the above requirements are met. Ownership of the goods subject to retention of title thereby passes to the customer and the assigned claims are due to him.

9. Confidentiality

- 9.1. All documents and information received in the course of the business relationship are to be treated confidentially and may only be made accessible to third parties with our consent.

- 9.2. This obligation shall continue to apply after the termination of the contract, as long as the information has not become generally known. We retain ownership and copyright as well as the exclusive right of use to all documents handed over. They may not be reproduced or used outside the business relationship without our consent.
- 9.3. Upon request, all documents, including copies made, must be returned immediately. The customer must confirm in writing that there are no more copies. In the event of violations, we reserve the right to claim damages and contractual penalties.
- 9.4. We are entitled to make the documents handed over by the customer accessible to third parties insofar as this is necessary for the fulfilment of the order. In this case, we oblige the third parties to maintain confidentiality to the same extent.

10. Place of Performance, Place of Jurisdiction, Applicable Law

- 10.1. The place of jurisdiction for all claims arising from business relationships, in particular from deliveries by SCHMID, is the court responsible for SCHMID's place of business. This place of jurisdiction, which exists above all for the order for payment procedure, also applies to disputes about the origin and validity of the contractual relationship. However, SCHMID is also entitled to sue the customer before the courts with jurisdiction over its registered office.
- 10.2. The law of the Federal Republic of Germany shall apply exclusively. The application of the UN Uniform Convention on Contracts for the International Sale of Goods is excluded.

11. Final Provisions

- 11.1 Should individual provisions be invalid, the validity of the remaining provisions shall remain unaffected. The parties undertake to make a substitute arrangement that comes as close as possible to the economic purpose of the invalid provision.