

# General Conditions of Supply and Sale of Nanogate Schwäbisch Gmünd GmbH, Schwäbisch Gmünd

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## Section 1 General scope of application

(1)  
The following General Conditions of Supply and Sale (“GCSS”) apply to all present and future business relations with the contractual partners (“customers”) who purchase products and services from us, and apply particularly to contracts for the sale and/or delivery of movable items (“delivery items”), regardless of whether we manufacture the delivery items ourselves or purchase them from suppliers.

(2)  
Our General Coating Conditions (“GCC”), which vary in some aspects, apply to cases in which we carry out processing, coating or surface enhancement on workpieces provided to us directly or indirectly by our customers or procured by us to the customer’s specifications.

(3)  
Even if we are aware of them, any of the customer’s terms and conditions that are in opposition to or differ from these conditions shall not become part of the contract, unless we have explicitly approved their application. This need for approval applies in all cases, so also if we supply goods to the customer without reservation and with knowledge of the customer’s opposing or differing terms and conditions.

(4)  
To be valid, any agreements that differ from the following GCSS and any contractual amendments must be in the form of a written contract or must be confirmed by us, at least in text form (Section 126b of the German Civil Code (BGB)).

## Section 2 Offers, offer documents

(1)  
Our offers are non-binding and subject to change unless they are explicitly described as binding or contain a particular deadline for acceptance. Offers made by phone or orally must be confirmed by us in text form to be valid. A contract only comes about when we confirm the order in text form or carry out the delivery.

(2)  
Our technical, physical and chemical specifications for the product or service, along with our related representations and descriptions are only approximately exact, unless exact specifications have been contractually agreed. They are not guaranteed quality features, but descriptions or designations of the product or service. Variations generally accepted in the industry and variations due to legal regulations or technical improvements are permitted.

(3)  
We reserve title and copyright to all the illustrations, drawings, calculations, costings, models, tools, molds and other aids that we provide to the customer. Without our explicit approval the customer may not make these items available to third parties, either as such or their contents, make them public, use or copy them, either themselves or by third parties. This also applies to written documents described as “confidential.” Customers also require our explicit written approval before forwarding them to third parties.

## Section 3 Prices, payment terms

(1)  
Unless our offer states otherwise, our prices are “ex works” and do not include packaging costs. These costs are charged on top of our quoted price. Deliveries to customers only take place when we have been explicitly appointed to do so and are at the customer’s risk and expense.

(2)  
Sales tax at the statutory rate must be added to our prices; it will be itemized on the invoice on the invoice date.

(3)  
Any deduction for prompt payment must be agreed in writing.

(4)  
Unless our offer states otherwise, the invoiced amount is payable without deductions within 14 days of the invoice date.

(5)  
The customer may only offset claims of their own if these have been definitively established, are undisputed or acknowledged by us. They may only exercise a right of retention to the extent that the counter-claim is based on the same contractual relationship.

## Section 4 Delivery date, delayed delivery

(1)  
Delivery dates and periods are non-binding, unless agreed otherwise when the contract comes into effect or subsequently agreed in text form. The delivery period begins as soon as all export details have been clarified, the customer has given any clearance required for the models used to prepare the delivery and the customer has met all other advance obligations.

(2)  
We are not liable if the delivery becomes impossible or delayed due to force majeure or other events for which we are not responsible and which were unforeseeable at the time the contract took effect (e.g. operating malfunctions of any kind, difficulties in the procurement of materials or power, transport delays, strikes, lock-outs, delays or delivery failures by our suppliers). If the delivery of the product or service is hindered or made impossible by such an event, the delivery period is extended or the delivery date postponed by the duration of the hindrance, plus a reasonable amount of setting-up time. We will notify the customer of the delay or the impossibility of delivery without delay.

(3)  
The time at which the delivery becomes delayed is determined by statutory regulations, but the customer must send us a reminder in all cases. If the delivery of our product or service is delayed, our liability for damages is limited in accordance with Section 7 of the GCSS.

## Section 5 Transfer of risk, acceptance, delayed acceptance

(1)  
The risk of the chance destruction or chance deterioration of the delivery items passes to the customer no later than the point at which the goods are handed over. For a business-to-business transaction the risk passes to the transport company when the delivery items are handed over. If the shipment or handover are delayed due to circumstances caused by the customer, the risk passes to the customer from the day on which the delivery items are ready for shipping and we have notified the customer accordingly.

(2)  
If acceptance of the items has been agreed, then this is decisive for the transfer of risk. If the customer delays acceptance this is equivalent to handover and/or acceptance.

(3)  
If the customer delays acceptance or is in breach of any other cooperation obligations after having been set a reasonable deadline by us, we are entitled to demand compensation for the ensuing damages, including additional expenses (e.g. warehousing costs). We will charge compensation at a flat rate of 0.5 % of the price net of sales tax (delivery value) for every calendar week of the delay or part thereof, up to a maximum of 15 % of the delivery value of the delivery items that have not been accepted.

(4)  
This does not affect either our right to prove that the damages incurred were greater or our statutory rights (especially reimbursement of additional expenses, reasonable compensation, cancellation or termination of the contract). However, the flat-rate compensation paid by the customer is to be offset against further monetary claims. The customer may prove that we did not incur any damages or that they were significantly lower than the flat-rate sum mentioned above.

(5)  
Deliveries will only be insured against theft, breakage, transport, fire and water damage or other insurable risks at the customer’s explicit request and at their expense.

(6)  
Unless agreed otherwise, at least in text form, we are entitled to make partial deliveries if the customer can make use of the partial delivery for the contractual purpose, the delivery of the remaining ordered items is ensured and this does not cause the customer any additional expense.

(7)  
Special agreements apply to the return of packaging material. For deliveries to commercial customers the general rule is that transport packaging can be returned to our transport company, where it is collected for proper disposal. Otherwise the customer is responsible for the disposal.

## Section 6 Liability for defects

(1)  
Unless otherwise determined below, statutory regulations apply to the customers' rights in the event of material or title defects (including deliveries of the wrong items or quantities).

(2)  
Our liability for material defects is based on the agreement on the quality of the delivery items. The product descriptions serve as the agreement on the quality of the delivery items. These are designated as such and are sent to the customer before the order is placed and included in the contract in the same way as the GCSS.

(3)  
Claims by the customer for material defects are subject to the condition that the customer has met their statutory duties to inspect the goods and report any defect (Sections 377 and 381 of the German Commercial Code (HGB)). If a defect is identified during the inspection or later, it must be reported to us without delay in text form. The report is deemed to be without delay if it is made within five working days. It is sufficient that the report is sent within this deadline. Regardless of this obligation to inspect the goods and report any defects, the customer must report obvious material defects (including wrong deliveries and quantities) within one week of delivery in text form. In this case, it is also sufficient that the report is sent within this deadline. We have no liability for material defects that are not reported because the customer omits to inspect the goods properly and/or to report the defect.

(4)  
If the delivery items are defective we are entitled, at our discretion, to subsequently perform the contract in full within a reasonable period, either by rectifying the defect or by delivering a new item that is free of defects.

(5)  
We bear the expenses necessary for the inspection and subsequent performance, particularly transport, travel, labor and material costs, if the item is indeed defective. This does not apply to additional costs due to the fact that the delivery item is located somewhere other than the original place of delivery. If the defect turns out not to exist we may demand reimbursement of our expenses (particularly inspection and transport costs) from the customer.

(6)  
If the subsequent performance is not successful or the necessary deadline set by the customer for subsequent performance expires without success or is not required by the statutory provisions, the customer may cancel the contract or reduce the price. There is no right to cancellation in the event of insignificant defects, however.

(7)  
All claims for defects are subject to the delivery items being handled properly, with care and used as intended. All liability for defects is excluded if the parts affected by the defect are modified, installed in a way not consistent with specifications or repaired. Liability for defects is also excluded if the delivery items are used in a way inconsistent with their technical specifications, are tampered with or in the case of normal wear and tear.

(8)  
Even in the case of defects, customers may only claim for damages or the reimbursement of wasted expenses if we are at fault as defined in Section 7 of the GCSS; otherwise such claims are ruled out.

(9)  
Claims for material and title defects may generally only be made up to twelve months from the time the risk passes to the customer. This does not apply if the defect was concealed fraudulently. This does not affect the statutes of limitations as defined in Section 438 (1) no. 2 and 3, Section 444 and Section 479 BGB.

## Section 7 Liability and disclaimer

(1)  
Unless stated otherwise in the GCSS, our liability for breaches of contractual and non-contractual obligations is determined by the statutory provisions.

(2)  
The customer bears the sole risk of using the delivery items purchased from us; in the absence of explicit agreements to the contrary, we are not liable for the suitability of the delivery items for the purpose intended by the customer. If we provide technical information or advice and this information or advice is not part of the contractually agreed scope of delivery owed by us, then it is provided free of charge and without liability.

(3)  
Our liability for damages, on whatever legal grounds, is limited to intentional acts and gross negligence. In the event of simple negligence we are only liable for damages to life and limb or health and for damages resulting from the breach of an essential contractual obligation (the performance of which is necessary for the proper execution of the contract and on the performance of which the contracting partner regularly relies and is entitled to rely).

(4)  
To the extent that we are fundamentally liable for damages in accordance with paragraph 3 above, our liability is limited to typical damages foreseeable at the time the contract took effect. Compensation will only be paid for indirect damages and damages resulting from defects in the delivery items to the extent that such damages are typically to be expected when the delivery items are used for their intended purpose.

(5)  
The customer may only cancel or terminate the contract for the breach of an obligation which does not constitute a defect if we are responsible for the breach. The customer has no right to terminate the contract at will (in particular pursuant to Sections 651 and 649 BGB). Otherwise the statutory conditions and legal consequences apply.

(6)  
The limitation period defined in Section 6 (9) also applies to contractual and non-contractual claims for damages by the customer on the basis of material defects in the delivery items, unless the application of the regular statute of limitations (Sections 195 and 199 BGB) would lead to a shorter period in any given case. All the customer's other claims for damages are subject to the statute of limitations.

(7)  
The aforementioned disclaimers and limitations of liability also apply to breaches of obligations by or to the benefit of persons for whom we are statutorily responsible. However, they do not apply to our liability for intentional acts, for guaranteed quality features, for damages to life and limb or health or under the German Product Liability Act.

## Section 8 Retention of title

(1)  
We retain title to the delivery items until all our claims against the customer from the business relationship have been fulfilled. If the customer is in breach of contract, in particular in default of payment, we are entitled to cancel the contract and repossess the delivery items once a deadline set to the customer for performance has expired without success. The customer is obliged to relinquish the items. Having repossessed the delivery items we are entitled to dispose of them; the proceeds are to be offset against the customer's liabilities, less the reasonable costs of disposal.

(2)  
The customer is obliged to treat the delivery items subject to retention of title with care and may not pledge them to third parties nor assign them as collateral before they have been paid for in full.

(3)  
The customer must notify us without delay in writing of any distraint, confiscation or other third-party interference with or disposal of the delivery items subject to retention of title.

(4)  
The customer is entitled to resell the delivery items in the course of its normal business; however, it hereby assigns to us all claims arising against its customers or third parties up to the full invoiced amount (including sales tax) of our claim, regardless of whether the delivery items are resold after having been processed or not. The customer retains the right to collect this receivable even after having assigned it to us. This does not affect our right to collect the receivable ourselves. However, we undertake not to collect the receivable as long as the customer meets its payment obligations from the revenue it receives, does not default and in particular is not subject to an application to open insolvency proceedings or is in cessation of payments. If this is the case we may demand that the customer disclose the assigned receivables and the debtors to us, provides all the information required to collect the receivables, gives us the relevant documentation and notifies the debtors (third parties) of the assignment.

(5)  
Any processing or reworking of the delivery items by the customer always takes place on our behalf. If the delivery item is processed with other items not belonging to us, we acquire a co-ownership interest in the new item corresponding to the value of the delivery item (final invoice amount, including sales tax) in proportion to the other processed items at the time of processing. For the item created by processing the same applies as to the items delivered by us subject to retention of title.

(6)  
If the delivery item is indivisibly blended or connected with other items not belonging to us, we acquire a co-ownership interest in the new item corresponding to the value of the delivery item (final invoice amount, including sales tax) in proportion to the other items at the time of blending/connection. If the blending/connection takes place in such a way that the customer's property is considered to be the main item, it is agreed that the customer transfers us a co-ownership interest. The customer stores the sole or joint property so created on our behalf.

#### **Section 9 Third-party rights**

(1)  
The customer is responsible for ensuring that information, illustrations, designs, drawings or other documents provided to us in connection with the order placed with us do not infringe any third-party rights of any kind.

(2)  
If we are faced with claims from third parties based on any such infringement the customer is obliged to indemnify us against such claims on our first written request. The customer's obligation to indemnify us relates to all expenses that we necessarily incur from or in connection with the claims for infringing third-party rights.

#### **Section 10 Molds (tools) and other aids**

(1)  
Unless otherwise agreed, the price for the molds also includes the cost of samples, but not the costs of testing, processing and other special facilities or the costs of changes requested by the customer.

(2)  
Unless otherwise agreed, we are and remain the owners of the molds made by us or by a third party appointed by us. These will only be used for orders from the respective customers as long as they meet their payment and volume obligations. We are only obliged to replace these molds free of charge if this is necessary to provide the customer with volumes that have been contractually guaranteed.

(3)  
If it has been agreed that the customer acquires ownership of the molds, title passes to the customer after payment of the purchase price. Instead of transferring possession of the molds, we will store them on behalf of the customer. However, we have a right to sole possession of the molds against the customer as owner until the agreed quantity of parts to be produced with them has been accepted by the customer. Once the purchase price has been paid in full we will designate the molds in our possession as third-party property.

(4)  
Our liability for storing and maintaining molds owned by the customer as described in paragraph 3 and/or on loan from the customer is limited to applying the same care as we would to our own affairs and as described in Section 7 of the GCSS. The customer bears the costs of maintenance, repairs and insurance. Our obligation to store and maintain the customer's molds expires if the customer does not collect the molds within two weeks of the order having been completed and having been asked to do so, at least in text form. We have the right to retain possession of the customer's molds until the customer has met all its contractual obligations.

#### **Section 11 Choice of law**

The GCSS and the entire legal relationship between us and the customer are governed exclusively by the law of the Federal Republic of Germany. The UN CISG does not apply.

#### **Section 12 Place of jurisdiction and performance**

(1)  
If the customer is a business within the meaning of the German Commercial Code, the sole place of jurisdiction for all disputes resulting from the contractual relationship is our place of business, unless another place of jurisdiction is required by law.

(2)  
Unless stated otherwise in our offer, our place of business is the place of performance.

(3)  
If individual provisions of the contract with the customer, including the GCSS, should be or become invalid in whole or in part, this does not affect the validity of the remaining provisions. The partially or wholly invalid provision is to be replaced by a provision that corresponds to the joint will of the parties.

As at November 2019