

## **General business terms of HUF COR Deutschland GmbH (international)**

### **I. Scope of applicability**

The following terms apply for all contracts, deliveries and other services of HUF COR Deutschland GmbH (hereinafter referred to as HUF COR). Divergent terms, in particular conflicting business terms of the buyer are hereby expressly contradicted. Such terms shall also not be recognised even if HUF COR does not expressly object to them following their receipt. Amendments and ancillary agreements are only valid if confirmed by HUF COR in writing.

### **II. Prices**

The prices specified in the offers are in Euros and do not include VAT. VAT will be charged according to the VAT rate valid at the time of delivery. Prices are without commitment until written confirmation of order has been issued. The delivery note or the bill for goods is also considered the confirmation of order in this respect. Discounts off the purchase price are not permitted. The prices apply 'ex works' plus resulting freight and shipping costs if applicable. Prices are calculated based on the buyer's list of services without knowledge of local conditions.

If timely delivery does not occur within six months from the confirmation of order, HUF COR is entitled to charge the prices valid on this date.

Subsequent wishes of the buyer relating to the modification, supplementation or annulment of the contract can only be considered if the parties have agreed to this separately in writing and the production of the goods has not yet begun.

### **III. Delivery periods and transfer of risk**

If binding delivery periods have been agreed, they shall only begin once the required manufacturing dimensions have been received and all other order details have been clarified, including in particular the transfer of the required documents such as the construction drawings confirmed by the buyer. If a down-payment has been agreed, the binding delivery period shall not begin prior to receipt of the deposit.

If HUF COR defaults on performance, then the buyer is obligated to advise HUF COR of this in writing and demand subsequent performance within an appropriate subsequent period. If this subsequent period passes without due performance, the buyer is obligated to immediately notify HUF COR in writing as to whether it continues to insist on performance or whether he will withdraw from the contract and/or demand compensation in lieu of performance.

The delivery periods shall be extended for an appropriate period of time in the event of an act of god or any other unforeseeable impairments occurring after the conclusion of the contract that are not attributed to HUF COR such as lock-outs, strikes or accidents. The same applies if one of the aforementioned circumstances occurs and affects one of our sub-contractors, sub-suppliers or suppliers.

HUF COR is exclusively liable for the timeliness of the delivery through fault of its own and that of its vicarious agents. HUF COR shall not, however, be liable for fault of its sub-suppliers. In this case and at the request of the buyer, HUF COR shall assign its claims for compensation vis-à-vis the sub-supplier to the buyer.

As soon as the goods have left the HUF COR plant, for example, upon handover to the transportation company, the risk shall be transferred to the buyer. It is irrelevant in this respect as to whether the transportation company has been commissioned by the buyer or HUF COR. This does not apply if HUF COR delivers the goods to the destination specified by the buyer. If HUF COR has also committed vis-à-vis the buyer to assemble or install the goods, the transfer of risk shall only occur upon acceptance of the service. The buyer is, however, obligated to accept the performance rendered in accordance with the contract immediately upon completion or on the date specified by HUF COR. If the buyer fails to declare its acceptance within an appropriate period for acceptance set by HUF COR, the performance rendered shall be deemed accepted.

If shipping is delayed at the request or through fault of the buyer, then the goods will be stored at HUF COR at the cost and risk of the buyer. Notification of readiness for dispatch is equivalent to handover in this case.

If the buyer does not accept the goods although the delivery date has been previously agreed and defaults on acceptance as a result, the buyer shall be liable vis-à-vis HUF COR for any damages incurred as a result, including in particular costs for storage, repeat delivery and lost assembly costs. The risk of accidental loss, damage or deterioration of the goods is transferred to the buyer from the time of default on acceptance.

### **IV. Assembly**

If the buyer assembles the goods, said party must ensure that they are kept in dry, safe storage. In particular, the buyer must ensure that the goods are not damaged or soiled during storage.

The buyer must ensure that the respective components, which the elements delivered by HUF COR are to be mounted on, have the structurally required load bearing capacity. Liability on the part of HUF COR for insufficient load bearing capacity is ruled out to the extent liability is not mandatory as required by law.

The calculated assembly costs are valid only if the buyer has made proper preparations (windows, floors, walls) and fixing means have been provided by the buyer for carrying the entire load of the delivered elements (this also

includes, if applicable, dowels, suitable holding fixtures etc.) with horizontally stable ceilings. If this prerequisite is not met by the buyer, HUF COR will provide the required additional performance and bill the buyer separately. Necessary additional expenditure for drilling, chiselling, thread cutting, provision of scaffolding, suspensions, partitioning shall be incurred at the buyer's expense. Protective profiles, niches and framing must also be provisioned by the buyer (dimensions must comply with the requirements specified by HUF COR) to the extent they are not expressly contained in the quoted price. Scaffolding must be suitable for the assembly purpose and comply with the regulations of the professional association. They must be provisioned by the buyer at no cost. If the assembly location is only accessible by crane, the buyer must arrange the provision and use of the required crane at its own cost.

HUF COR must be advised in advance and in a timely manner of concealed installations at the assembly site; such installations must also be marked accordingly. HUF COR cannot be held liable for the damages resulting from failure to observe its obligation to inform. Costs incurred for HUF COR due to improper preparation by the buyer will be charged to the buyer with verification.

## **V. Payment**

The following payment method shall apply for deliveries including assembly:

- a) 30 % of the order amount following track assembly
- b) 60 % of the order amount following delivery of the elements
- c) 10 % of the order amount following assembly of the elements and completion of performance

The entire invoice amount is due upon handover of the delivery and receipt of the invoice for deliveries without assembly.

Payments must be made directly to the company HUF COR Deutschland GmbH, Dessau. Field service employees of HUF COR are not entitled to collect payments.

If the buyer defaults on payment, HUF COR is entitled to charge default interest of at least 5 percentage points above the prime rate (section 247 BGB [German Civil Code]) per year. For legal transactions, in which a consumer (section 13 BGB) does not participate, the interest rate for payment claims amounts to at least 8 percentage points above the prime rate per year. The assertion of greater damage, particularly in accordance with section 9 VOB/B [German Construction Contract Procedures/B] is not ruled out as a result. Notwithstanding further claims of HUF COR pursuant to section 9 item 3 sentence 2 VOB/B, 2.5 % of the delivery value for every complete week of default, however, no more than 10 % of the delivery value shall be deemed appropriate compensation (section 642 BGB). The buyer is free to provide proof that the stipulated amount of compensation is excessively high with respect to the damage incurred for HUF COR.

The buyer only has rights to offset against undisputed or legally established receivables. Said party is only entitled to rights of retention on the basis of undisputed or legally established counterclaims resulting from the respective contractual relationship and in the event of gross breaches of duty on the part of HUF COR.

## **VI. Warranty/liability**

All claims for compensation of the buyer are ruled out unless the liability of HUF COR is compulsory as in the event of intent or gross negligence or a breach of cardinal contractual duties. If gross negligence is not attributed to HUF COR or HUF COR is not liable due to injury to life, limb or health, the claim for compensation vis-à-vis HUF COR will be limited to foreseeable damages typical of such contracts. This does not entail a change to the burden of proof to the detriment of the buyer. This provision applies for the buyer accordingly.

The buyer is obligated to immediately examine the performance rendered. Said party must notify HUF COR in writing within a week of receiving the goods in regard to all obvious or assessed defects, incorrect quantities and incorrect deliveries before their assembly and/or installation. Section 377 HGB (Handelsgesetzbuch [German Code Commerce]) remains unaffected by this. The date stamp on the consignment note indicates the date on which the goods were received. If defects are not reported within the specified period, the performance shall be deemed rendered and accepted in accordance with the contract. This does not apply for concealed defects.

HUF COR does not offer any warranty for damages attributed to improper, incorrect and/or negligent handling or incorrect assembly. This also applies for defects and damages resulting from natural wear. Warranty claims of the buyer for defects attributed to an act of god or third-party actions or forbearances are also excluded. Minor, standard commercial or technically induced discrepancies that are typical for the market shall not be considered defects. Every delivery contains customised goods. It is generally not possible to exchange or return such goods for this reason.

If the performance rendered by HUF COR is defective, HUF COR is entitled to specify the type of subsequent performance (replacement shipment / reproduction or rectification of defects). If it is determined upon reviewing the defect report that it is not covered by warranty, the buyer must reimburse HUF COR for all costs for reviewing the defect report.

The period of limitation for warranty claims of the buyer is 2 years to the extent the parties have not agreed otherwise or statutory regulations do not require a longer period of limitation.

## **VII. Retention of title**

HUFCOR reserves the right to retain ownership of the delivered goods until all – including subsequent – receivables including any existing receivable on the basis of an open item account have been paid. The issue of a bill of exchange or cheque does not qualify as payment until the paper has been redeemed.

The buyer is entitled to resell or process the goods delivered by HUFCOR within the scope of ordinary business operations.

Processing shall occur by order of HUFCOR, however, without any costs being incurred for HUFCOR. If a new item is created as a result of processing, combination or connection, HUFCOR shall become (joint) owner of the same in order to secure the receivables to which HUFCOR is entitled corresponding to the invoice amount of the reserved good. The buyer is merely the custodian without any claim to payment. If the reserved good is resold after processing with other items not belonging to HUFCOR, the amount of the purchase price of the reserved good at the time of processing shall be assigned. If the buyer uses the reserved good in order to fulfil a work contract, then the buyer shall, already at this time, assign his receivables from this contract in the amount of the purchase price at the time of delivery to HUFCOR, which in turn accepts this assignment. If the ownership of the reserved good expires as a result of the connection, combination or processing, the buyer shall, already at the time the contract is concluded, transfer the rights of ownership in the new item, to which it is entitled, to HUFCOR in the amount of the invoice value for the reserved item.

If the buyer resells the reserved good in the scope of ordinary business operations, then it shall, already at this time, assign all receivables resulting out of the resale or any other legal grounds in connection with the transfer of the reserved good to HUFCOR. The assignment serves to secure HUFCOR's receivable in the amount of the invoiced value of the reserved good. HUFCOR accepts the assignment. The buyer is not entitled to any other disposals.

If the reserved good or the good subject to the ownership or joint ownership of HUFCOR is not paid in cash in the event of sale or processing, combination or connection in the scope of a work contract, the buyer shall reserve the ownership to the sold item vis-à-vis the subsequent buyers at the same conditions HUFCOR reserved ownership upon delivery of the reserved good. The buyers should not be advised of the assignment of the receivables for a preliminary period. The buyer is authorised to collect the receivables until further notice. However, said party is not authorised to dispose of the receivables in any other manner (e.g. by way of assignment). HUFCOR is entitled to revoke its authorisation at any time and collect the receivable itself. At the request of HUFCOR, the buyer must advise subsequent buyers of the assignment. Said party is furthermore obligated to provide HUFCOR, at its request, with the name of the subsequent buyers and amount of the assigned receivable and provide all information HUFCOR requires in order to assert the assigned receivables. The retention of title according to the above agreements also continues to apply if the receivables of HUFCOR are accepted on a current account credit and the balance has been deducted and recognised. Upon full payment of HUFCOR's receivable resulting out of the business relationship, all assigned receivables shall be transferred to the buyer in addition to the ownership of HUFCOR in the objects. HUFCOR is obligated to release the collateral to which it is entitled in accordance with the above provisions as their value exceeds that of HUFCOR's receivables vis-à-vis the buyer by more than 25 %. The release shall only be issued for collateral, for which the underlying goods and services have been paid by HUFCOR. Other disposals, in particular seizure and assignment as security are not permissible without the consent of HUFCOR. The buyer is obligated to immediately notify HUFCOR in writing in the event of seizure of goods and/or assigned receivables on the part of third parties or claims, which third parties assert on goods or receivables. In the event of seizure, HUFCOR must be forwarded a copy of the report on assets seized. The costs incurred for HUFCOR in connection with the assertion of its rights shall be charged to the buyer.

## **VIII. Right of withdrawal / prepayment**

If the financial situation of the buyer significantly deteriorates or collapses following the conclusion of this contract, which jeopardises the claim to the quid pro quo or if the situation of the buyer as it existed at the time the contract was concluded first becomes known to HUFCOR after the conclusion of the contract, HUFCOR is – divergent to any contradictory contractual agreements – entitled to demand the buyer make prepayments or provide collateral pursuant to sections 232 et seqq. BGB within an appropriate period. In this case, HUFCOR is entitled to refuse performance until payment or collateral has been received. The same applies if, after the conclusion of the contract, the trade credit insurer of HUFCOR classifies the buyer as uninsurable or subsequently withdraws its insurance coverage.

If the buyer fails to make the required prepayment or provide collateral in a timely manner or refuses to do so, HUFCOR is entitled to withdraw from the contract and demand compensation.

## **IX. Legal venue**

The place of performance for all liabilities resulting out of or in connection with this contract, to the extent not otherwise specified in this contract, is the headquarters of HUFCOR. The exclusive jurisdiction for all disputes resulting out of the contract, also for processes involving bills of exchange and cheques, is Dessau. HUFCOR is, however, also entitled to sue the buyer within another legal venue that is valid for it. If the buyer is not a businessman, a public law entity or a special public law fund, but has a general legal venue located domestically, these provisions shall apply in the event the buyer relocates its headquarters or ordinary domicile outside of the Federal Republic of Germany following the conclusion of this contract or if its headquarters or ordinary domicile are not known upon filing the suit.

## **X. Closing provisions**

The relationships between the parties to this contract shall be regulated exclusively in accordance with the law of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

All agreements including those concerning ancillary arrangements must be confirmed in writing by HUF COR for their legal validity. This also applies for contracts concluded by legal representatives or vicarious agents of HUF COR; this also applies for the annulment of this clause. If a provision of these business terms is or becomes invalid in full or in part, this shall not affect the validity of the other provisions. The contractual parties are obligated to replace the invalid provision with a valid one, which comes as close as possible to the economic purpose of the invalid provision.