

General Conditions for Supplies of Venturetec Rotating Systems GmbH for customers with a seat or registered office outside of Germany

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1 General

1.1 These General Conditions shall constitute in each phase a determining part of our legal relationship to the Purchaser including but not limited to subsequent businesses of any kind even if no references have been made. Deviating terms and conditions are strictly excluded even if we have delivered unconditionally unless they were determined in detail by us or deviations were approved by us. These General Conditions are available under <https://venturetec.de/en/terms-and-conditions>.

1.2 All binding legal statements or agreements (for example offers, orders, confirmations of order, invoices) shall be in writing, which shall be deemed fulfilled in electronical forms without signature provided it identifies the person or the sender and names correctly the contractual partner and includes all information required by law for the business communications. Subsequent verbal agreements to be valid shall be mutually approved in writing. For declarations of intent, which become complete upon receipt by the other party (e.g. termination, recession, etc....), the requirement of the written form shall not be met by electronic means.

1.3 Storage of data:

We reserve the right to store data for our own purposes from the business relationship including personal data. The Purchaser is hereby put on notice.

2 Authoritativeness of the Agreement of the quality of the Product, guarantees:

2.1 The Product and the related obligations of performance are exclusively determined in the written respective Agreement of the Quality of the Product (“Beschaffensvereinbarung”) supplemented by these General Conditions with the exception of Item 1.2. In the case of inconsistencies or of incompleteness the Agreement of the Quality of the Product shall prevail. The Agreement of the Quality of the Product contains all applicable documents and information in particular but not limited to drawings, specifications, documentations, specific characteristics tolerances, stipulation for fitness, application, use, operation, the complete documentation of the approval of conformity and norms with the prevailing meaning of the definitions from the binding norms. All other pre-contractual information, statements, data, documents or expectations of the customer are expressly excluded. In the event of conveying the Agreement of the Quality of the Product in the form of a confirmation of order in accordance with item 1.2 the customer shall any objection against its content without undue delay.

2.2 Independent guarantees or guarantees of specific qualities or durability shall be deemed agreed upon only if expressly stipulated as such in writing. Except of the performance of the Agreement of the Quality of the Product we do not assume independent obligations of explanation or consultancy. The description of quality such as lifetime, reliability or durability will not constitute any kind of guarantee.

2.3 We do not assume any responsibility not mentioned in the Agreement of the Quality of the Product for any requirement purported or derived from the function of the whole plant of the user or operator of plants.

3 Responsibility of the customer:

3.1 Rotating unions, slip rings and their components in their technical functionality as equipment are designed for the media determined by the customer. The application of the rotating unions and slip rings, the processes of their operation, their fitness for the processes and for the intended purposes of the customer are in the sole responsibility of the customer. This applies in particular for the reliable function and the handling and compatibility and the harmlessness of the rotating unions and their media for those purposes in the interaction or in connection with the interaction of the rotating unions and their media with the total environment of the plant and the operations.

3.2 We assume obligations and responsibilities only and only in the scope as stipulated in writing or as imposed on us by compelling law. Item 2.3 applies accordingly. This also applies in so far as we were involved in the development of the products of the customer or as we have participated giving advice or recommendations.

3.3 In so far as we are deemed manufacturer and to be obligated for classifications e.g. according to the Directive 94/9/EC (ATEX-Directive) and 1999/92/EC (ATEX 137) for providing of information pertaining groups of equipment and categories of equipment, for risk assessment and mandatory operations- and maintenance instructions, the customer in his own responsibility shall provide as integral content of the Agreement of the Quality of the Product comprehensively all relevant information he needs to have as responsible manufacturer and/or operator at his costs. In this scope the customer must cooperate as condition precedent for our obligation to perform. This also applies if we have to furnish a declaration of conformity. The customer shall be liable for any damage or loss incurred by us due to insufficient cooperation or incomplete information. The customer shall indemnify us and hold us harmless from any own or third party's claims.

3.4 The customer shall advise us if a product to be delivered has been categorized as a safety product or a product with specific documentation requirements. The customer shall be liable for any damage or loss incurred by us due to insufficient cooperation or incomplete information. The customer shall indemnify us and hold us harmless from any own or third party's claims

4 Other agreements

4.1 Each order is determined for the specific market as stipulated in the purchase order. The customer shall notify the determined market. If the customer is barred from delivery into the determined market e.g. because of an embargo, the customer upon our request shall return the delivered products. The customer shall indemnify us from any loss or damage caused by a noncompliance with this obligation.

4.2 Packaging and transport equipment and the logistics remain to our discretion unless otherwise agreed upon.

4.3 Verbal or written information beside delivery contracts e.g. from conversations, negotiations, offers, brochures, prospects, catalogues etc. shall not be deemed legally binding for us and shall not be deemed to constitute independent legal relations by consultancy, commitment or advise unless confirmed by us in writing. This also applies in the case of reference to norms or items of conformity. This also applies in so far as we were involved in the development of the products of the customer or as we have participated giving advice or recommendations. Nobody is entitled for legally binding deviating statements or descriptions unless approved by us in writing.

4.4 The customer bears the sole responsibility for any use or exploitation of any information not included in the Agreement of the Quality of the Product. Information in catalogues, technical documents or any other publication, advertising or information documents shall always be deemed non-binding and shall never constitute any kind of an agreement.

5 Prices, Payment:

5.1 Prices must be confirmed by us. Prices are in EURO "ex work" (Incoterms 2010) excluding packaging, insurance, duties and any other taxes. We charge the VAT valid as of the date of delivery.

5.2 In the event of an increase of order related costs e.g. costs of material beyond our responsibility or in the event of force majeure exceeding 10 % we are entitled to demand a fair increase of the prices.

5.3 If the delivery or partial delivery are agreed to be performed four months after the date of the confirmation of order the relevant price will be determined by us unless otherwise agreed upon Venturetec mechatronics GmbH – Glasstraße 3 – 87600 Kaufbeuren – date 19.09.2018 – page 2 of 3

5.4 Account receivables shall be due net within 30 days from the date of the invoice unless otherwise agreed upon. We do not grant discounts. We reserve the right to demand advance payment or performance bond prior to delivery. In the event of defaulted payments by the customer we are entitled to demand compensation for approved losses accordance to statutory provisions at least interest of 8% p.a. above the basis interest rate of the EZB at due date. The customer may prove minor losses.

5.5 Cheques will be accepted as payment only under the reservation of unconditional crediting according to bank practice. Bills of exchange will not be accepted.

6 Set Off, Assignment:

The customer may set off counterclaims provided the counterclaim is undisputed or res iudicata and is derived from the same business with us. The assignment or the pledge of counterclaims requires our consent in writing which we will not deny arbitrarily. We reserve to pay to the previous creditor.

7 Delivery Dates, Default:

7.1 Terms of delivery need our approval in writing. They will be deemed extended adequately to our operations until the customer has performed all obligations from the Agreement of the Quality of the Product or other agreed upon conditions. In the event of late delivery under our responsibility we will be in default only after the expiration of an appropriate grace period to be granted by the customer. Customer's claims for compensation thereof are limited to direct and proved losses foreseeable for us and typical for the nature of the agreement excluding claims from business interruption and profit losses.

7.2 Fixed-date-businesses require specific agreements in writing.

8 Force Majeure:

8.1 Force Majeure in particular but not limited to natural disasters, flood, labour conflicts (strikes and lockout), riots, war, blockades, bans of import and export, hindrances of our own supply with raw materials, machineries, shortage of energy, governmental actions or other material circumstances beyond the control of and not foreseeable for either party shall release us and the customer from the obligations to perform for the duration of the hindrance and in the scope of its impacts to the contractual performance. This also applies in the event that such circumstances occur during the period of default.

8.2 Either party shall give notice as reasonable and provide all necessary information without undue default and adjust its obligations appropriate to the circumstances in good faith. The parties will give notice to each other when the hindrance ends. If the hindrance is exceeding six months either party may rescind the agreement. In such case claims for compensation of damages and losses are excluded. Claims for compensation of performance and futile costs are not excluded. Section 206 Civil Code remains unaffected.

8.3 The customer shall bear the costs for the storage of deliveries ready for dispatch or under way with carriers. We are entitled to invoice at the date ready for dispatch.

9 Notice of Defect, Re-Traceability:

9.1 The customer shall inspect the goods with undue default at receipt if appropriate in the ordinary course of operation at the latest eight days after delivery and shall give written notice of recognizable defects without undue default. For defect not recognizable the customer has the burden of proof that the goods have been stored properly and handled appropriate to the nature of the goods until the discovery of the defect.

9.2 The customer shall ensure the re-traceability of our products. We are entitled to request the documentation for the re-traceability at any time with no right of the customer to refuse.

10 Transfer of Risk:

10.1 In the event that delivery “ex work” has not been agreed upon, the transfer of risk including the accidental perishing of a chattel passes to the customer at the moment of dispatch, the notice of dispatch or the default in acceptance – whatever is earlier-.

10.2 If an acceptance is agreed upon or required by law the customer shall accept the work at our premises at his costs. If the customer does not accept or if he rejects the acceptance due to minor defects the goods are deemed accepted at the date of the acceptance term determined by us or at the date of the refuse, at the latest at the date of dispatch.

11 Warranty:

11.1 Warranty claims are constituted only in the case of deviations from the Agreement of the Quality of the Product. They are contingent on customer’s written notice without undue default and providing all information requested by us in particular but not limited to the storage, the application, the observance of agreed upon or by the state of the art determined conditions of implementation, operation and maintenance and that the customer on our request gives us access and opportunity to investigate the operational environment of the products and to preserve evidence. We are entitled to request the return of the product to our premises at no costs for us. The customer has the burden proof that other plants and equipment or geographical, geological or climatic conditions from the environment which could have or have had an impact on the product have not caused the alleged defect.

11.2 If we are not responsible for the alleged defect the customer shall reimburse us for our cost of the investigations.

11.3 In the event that we were responsible for the defect it is to our discretion either to repair or deliver a new product, provided that the remedy is not unreasonable for us. Other claims shall be excluded. If we are responsible for the defect we will reimburse the customer for his costs relating to the remedy of the defect only in the scope as we had concurred with the customer in his activities related to the remedy.

11.4 Normal wear and tear, applications deviating from the Agreement of the Quality of the Product, operating, implementation, operation or maintenance in contradiction to the state of the art and the sale of the products shall exclude any warranty claims. This also applies in the event that the customer or the operator of the plant in which our product has been implemented have tried to repair without our consent.

11.5 Warranty claims are subject to a limitation period of 12 months from the date of delivery. The limitation period is suspended for the period of remedy. This does not apply in the events of no defect or if warranty claims are excluded in according to paragraph 11.1. In the event of the delivery of a new product the limitation period is 12 months.

12 Extended retention of title:

12.1 We reserve retention of title to the products delivered until payment of all account receivables due and future account receivable already constituted by agreement within the total business relationship to the customer. The customer may not give our products in pledge to a third party for his collateralization purposes. Any kind of work to the product or the mixture with other products will be deemed to our benefit without any obligation for us and without loss of our ownership. In the event of implementation of our product in a plant we receive the co-ownership of the customer and are entitled to notify this. Venturetec mechatronics GmbH – Glasstraße 3 – 87600 Kaufburen – date 19.09.2018

12.2 The customer shall give immediate written notice in any event of a pledge or any other encumbrance of third parties on our products. The customer must undertake any action to extinguish the pledge or the encumbrance and must support us in the defence of our rights in any kind, upon our request also on our behalf.

12.3 The customer may work our products and/or sell them in the ordinary course of his business. He must reserve our retention of title and must undertake any appropriate organizational and legal action for that purpose. He is entitled to collect the account receivables in the ordinary course of business. The customer hereby assigns to us the account receivables for security purposes for all payments we are entitled for. He also assigns all claims from bills of exchange drawn for account receivables deriving from the sale of our products. We are at any time entitled to request the transfer of the bills of exchange and the endorsement by the customer. It is subject to our discretion to notify the assignment to third parties. Each assignment to us is hereby accepted.

12.4 Should the customer not complete his obligations to protect our retention of title we are entitled to request immediate and unconditional return of our products. Unless otherwise agreed upon this does not constitute a rescission from the contract. In the event that we have pledged the products we are entitled to sell the products and balance the proceeds of sale.

12.5 We release securities from the customer in the scope as the value of the securities exceeds 20% of the total value of the secured accounts receivables.

12.6 In the event that the extended retention of title should not be admissible, or should it be unreasonable for the customer under accounting aspects the customer must grant an adequate security for our account receivables.

13 General Liability

13.1 Unless expressly stipulated to the contrary by these General Conditions or compelling law any liability is limited to intent and gross negligence. This limitation of our liability does not apply to damages for death, bodily injuries or health caused by negligence of our legal representatives or employees. In the event of our liability for light negligence under compelling law we are only liable for material obligations not contained in the Agreement of the Quality of the Product. Material obligations shall mean all obligations for the performance of the exchange of undertakings of us and the customer and the cooperation with authorities and third parties. The limitation of liability comprises all our legal representatives, employees, engaged agents and other representatives.

13.2 Claims against us shall be excluded unless asserted in a law suit within six months after our written refuse.

14 Product Liability:

14.1 In the event of third party's assertion of claims against us in particular under national or foreign liability without fault attributed to our products the customer shall indemnify us and hold us harmless from all such product liability claims and costs for our defence. This also applies for any recourse against us irrespective of the claimant and the owner of the claim. In the event of defects of our product as cause for damages claims for compensation may only be asserted against us by the customer if the customer proves the scope of our responsibility in relation to him and our liability. This also applies in the case of joint and several liabilities.

14.2 The customer shall provide all information necessary for our legal defence including information from his internal operations. Either party shall provide all information for the legal defence in any event of the assertion of claims against us and the customer. Each legal action in particular a settlement of claims which might trigger claims of recourse against the respective other party needs the prior consent with the other party. A violation of this obligation shall exclude any claim of recourse.

14.3 For the purpose of legal defence against claims asserted under a foreign jurisdiction either party may choose the jurisdiction of the respective Court or of the lex loci delicti. The customer shall support our evidence of defence.

14.4 In the event that claims were asserted against us by third parties or authorities due to the use of or trade mark or any other item identifying us as manufacturer the customer shall indemnify us from all such claims and costs occurred thereof.

14.5 Our liability to compensate the customer is excluded adequate to the limitation of liability the customer has or could have agreed upon with any third party.

14.6 The customer must maintain a reasonable insurance coverage against liability in tort and liability without tort. He shall notify these General Conditions to his insurer.

15 Industrial Property Rights, Inventions, Confidentiality:

15.1 At no point of time any industrial property rights relating to the products shall be transferred to the customer. They remain our sole property. This applies also for models, drawings, samples, calculations and other data irrespective of the storage of such data.

15.2 The customer shall keep all information and the knowledge from the business relationship with us strictly confidential. This applies in particular also to the knowledge relating to our know-how and our methods and processes of manufacturing when auditing us or in the cooperation and involvement of research and development. The customer shall impose the obligation of confidentiality on any third party engaged by him. The customer is liable for any damage and loss incurred by us from the violation of these obligations. The obligation for confidentiality shall survive independently the business relationship with us at least for a period of 5 years thereafter.

15.3 In the event of orders requiring research the customer does not acquire any inventor rights or industrial property rights to the results, to the developed products or processes for the manufacturing of the products even if the customer has made contributions to the costs of the development and/or of the manufacturing. The rights and obligations under the Employee Inventor Act remain unaffected.

16 Miscellaneous:

16.1 Place of our performance and the performance of the customer is Kaufbeuren. For all disputes the venue is Kaufbeuren. We are entitled to open litigation at the residence of the customer.

16.2 The business relationship between us and the customer is governed exclusively by the laws of Germany. The Convention of International Sale of Goods prevails in the event of compelling governing foreign law. In the event that claims were asserted against us abroad we are entitled to enforce all rights under the jurisdiction of the law suit.

16.3 Should one or several provisions of these terms and conditions be or become void, invalid or not enforceable the validity of the other provisions remains unaffected. In the event of voidness, invalidity or unenforceability the customer shall participate to the agreement of a provision which is valid and enforceable, and which comes nearest to the legal and economical provision to be replaced. This also applies in the case of gaps in the agreement.

Status as of September 2020