General conditions of sale, repair and service (T&Cs) of BVS Industrie-Elektronik GmbH

Version as at December 2020

Industrie-Elektronik

1. Validity of the General Conditions of Sale

- 1.1 The following T&Cs apply for all transactions between BVS Industrie-Elektronik GmbH ("BVS") and BVS customers ("Customers") provided that customers are contractors in the sense of Section 14 of the German Civil Code (BGB).
- 1.2 The General Terms and Conditions or comparable general contractual conditions of Customers or third parties only apply if BVS expressly agrees to them applying.

2. Price list; offer; conclusion of the contract; details; set-off

- 2.1 If the Customer orders goods, services or works ("Products") or sends goods for repair and/or maintenance to BVS (each an "Offer"), the Customer is bound by this offer for three weeks. If BVS has not already accepted the offer (by carrying out the repair, exchanging the items, sending a new item), the contract comes into being after three weeks have expired pursuant to the Customer's offer.
- 2.2 If the Customer submits an offer via the BVS online catalogue, it shall be deemed to be accepted by BVS upon confirmation of the relevant offer/contract by e-mail.
- 2.3 Information in print or digital media do not constitute an offer from BVS.
- 2.4 All prices agreed between BVS and the Customer are understood to be in Euros in addition to the statutory VAT and in addition to the costs of post and packaging, customs duties, transport insurance, charges and other fees, if such are incurred.
- 2.5 The Customer only has the right of set-off if his counterclaims are established by law, undisputed, or accepted by BVS.

Preliminary work; right of refusal

- 3.1 If BVS determines that the item sent by the Customer is not repairable, the Customer is obligated to reimburse BVS for examining the item.
- 3.2 If the Customer sends an item to BVS and (i) BVS refuses the offer, (ii) there is no offer, or (iii) the item is not repairable, BVS shall notify the Customer of this. If the Customer does ask BVS to return the item within eight days, BVS is entitled to dispose of the item.
- 3.3 Insofar as the delivered goods can be repaired, the customer will receive a cost estimate or an offer. In the event that the customer rejects the offer for the repair or the cost estimate, he is obligated to pay the inspection costs to BVS that have accrued up to this point. Inspection costs arise immediately when the goods are sent, regardless of whether a potential offer is accepted or rejected.

4. Delivery; transfer of risk; exchange services

- 4.1 Goods will be delivered on the agreed delivery date ("Delivery Date"). Partial deliveries are always permissible if not unreasonable for a contracting party. The delivery time will increase if unforeseen events occur which are outside the control of BVS as well as in the case of force majeure and industrial action. If this makes fulfilling the contract wholly or partly impossible, contractual and delivery duties will be cancelled. In this case, the buyer will be notified straight away. Claims for compensation by the buyer based on delay or non-fulfilment cannot be accepted unless intent or gross negligence can be proven. If the buyer's payment for an earlier delivery is delayed, BVS has the right to retain deliveries without being liable for compensation for potentially arising damages.
- 4.2 If BVS delivers an item to the Customer in exchange for a defective item, the Customer is obligated to send the defective item to BVS within eight days of receiving the item at its own expense (Transfer). If (i) the Customer does not comply with this deadline, or (ii) the defective item is irreparable, the Customer is obligated to reimburse BVS for the original price of the item/price of the replacement part delivered by BVS.
- 4.3 If the customer returns assemblies to BVS that are not needed, he has to bear the transport costs for this himself. Goods that are not required must be returned to BVS within eight (8) days of receipt of the goods, otherwise a return cannot be accepted. When a customer makes a claim, he has to bear delivery and return costs. In the event of a warranty claim, BVS will bear the costs of delivery to the customer (except express costs). The customer bears the costs of transport to BVS (return costs). BVS cannot commission a shipping company for the return.

5. Parameter sets; Settings; Standard settings; Data back-up

- 5.1 BVS resets goods sent to the Customer to their standard settings before examination. If the Customer receives the goods back, the settings/parameter sets implemented by the Customer on the goods are no longer available.
- 5.2 The customer is obligated to check that the goods in particular their settings/parameter sets are correctly set up for the use intended by the customer, and to check re-entered customer-specific data for accuracy. If the customer does not comply with this obligation, the circumstances fall within Clause 9.9.
- 5.3 If the customer requests a data back-up and its restoration in the form of re-entry of the saved data (restore), the data packet is subject to a charge. BVS accepts no guarantee for the Customer's saved data set and no liability for losses which arise after restoration of the data to the Customer's property.

6. Due date; payment terms; price increase; set-off

- 6.1 Payment of BVS is due within 14 days following receipt of the relevant invoice. This does not apply if differing individual payment agreements have been made. Payments are made cashless to one of our business accounts; payment by check is excluded. If the buyer's payment is delayed, BVS is entitled to charge default interest at a rate of 9 percentage points above the base rate per year. Enforcement of a higher penalty caused by delay shall remain a possibility.
- 6.2 If the Customer is obligated to pay BVS in advance, BVS does not fall in default of its service until the Customer has paid.
- 6.3 Payments are deemed paid from the day on which (i) BVS actually received the purchase price, or (ii) the purchase price enters the bank account BVS has specified in the contract of sale.
- 6.4 If there is a delivery exempt from VAT under Section 4 No 1(b) in conjunction with section 6 a of the Value Added Tax Act (UStG) or an intra-community triangular transaction under section 25 b UStG, the customer is obligated to sign and return a confirmation of arrival within the meaning of section 17 a sub-section 2 of the Value Added Tax Ordinance (UStDV). The company or a third party commissioned by the company, must return the confirmation of arrival to us immediately after handover of the purchase object. If the customer does not comply with this obligation, the VAT is subsequently charged. We retain ownership of the purchase object until receipt of the confirmation of arrival or until payment of the subsequently-charged VAT. The same also applies if the customer opts for a freight carrier.

6.5 In the event that a delivery period of more than four months after conclusion of the contract of sale is agreed in the contract of sale for the delivery of the goods, BVS is entitled to amend the price of the goods not yet delivered to the Customer after four months by an amount corresponding to the additional or reduced costs actually incurred by BVS due to tariff changes and/or changes in material prices for the particular goods. Insofar as this results in a price increase of more than 10% of the price originally agreed for the goods, the Customer is entitled to rescind the contract. Despite this, BVS shall inform the Customer in advance of such a price increase.

7. Ability to pay; refusal of payment

- 7.1 Should it transpire after conclusion of the contract with the Customer, that (i) the Customer cannot offer an adequate guarantee for his ability to pay, or (ii) the Customer's fulfilment of the Contract is at risk, BVS is entitled to refuse to deliver the goods until the Customer effects the payment or has rendered security for it.
- 7.2 If the payment or security is not provided within a reasonable time period set by BVS for that reason, BVS is entitled to rescind the contract.

. Liquidated damages

If the Customer is in default of acceptance or genuinely and finally refuses to pay, he is obligated to pay BVS 35% of the price as compensation. The Customer is permitted to prove that no loss, or only lesser loss, was incurred. BVS has the right to prove higher and/or additional loss.

Diagnostic measures; acceptance; warranty; statute of limitation

- 9.1 As part of the statutory guarantee, BVS is obligated to comply with the accepted rules of engineering concerning the provision of the contractually agreed service. BVS does not accept any further obligation for BVS to document all product and system errors and deviations, and accordingly take them into account in carrying out the order.
- 9.2 The contractual object is free from defects if it is in the agreed condition. If no agreement has been made about the condition of the contractual objects, the contractual objects are free from defects if they are suitable for the purpose intended by the customer and are in a condition that is normal for contractual objects of the same type. The date of transfer of risk is crucial for the assessment of a deficiency in the delivery item.
- 9.3 The customer is obligated to submit to BVS in writing an accurate and comprehensive description of all defects and malfunctions ("Error Message") and to support BVS in fault analysis and resolution of the defects. If the Error Message is not sent properly or the cause of the error is not sufficiently described, BVS is entitled to carry out fault diagnoses with the diagnostic tools usually available in service vehicles and also to put the machine into operation with reasonable care for diagnostic test runs, unless the customer has objected to this approach expressly or in writing. The customer bears the burden of proof for material defects appearing with the transfer of risk; in particular the risk of the contractual objects being fit for their intended purpose, and compatibility with other components or systems.
- 9.4 Measures for fault diagnosis for the contractual objects delivered by BVS take place with local, inhouse diagnostic tools ("in BVS' factory"). BVS supports the customer with the services in the contract through telecommunications support ("technical hotline") with a remote diagnosis, insofar as this is possible with the telecommunications tools. BVS is not liable for alterations or other measures improperly carried out by the customer and third parties during the technical hotline's remote diagnosis.
- 1.5 If the customer requests that fault diagnosis be carried out connected to a service at his location ("on-site service"), he has to instruct BVS accordingly under a separate agreement and at the site of the repair. The "technical documentation" form provided for this must be filled in completely and submitted to BVS by the customer before service on site in any case. The document will be sent to you, on request by phone. Our sales team will help you with this process. A service includes, in particular, repairs, modifications, refurbishments, start-up procedures, maintenance and repair work, upgrading work for machines and systems, exchange of devices and data back-up. The customer is obligated to give all co-operation necessary to provide the agreed service on time and without charge to BVS. After the service and any planned testing on-site has been completed, the customer is obligated to accept. If the customer neglects the instructions under Clause 9.5 Sentence 1, any additional damage caused by the diagnosis and the costs of remedying it are borne by the customer. The customer bears the on-site service costs. In the event of delays during service for which the customer is responsible, the customer will have to bear the costs of the employees' waiting time and if required for additional travel time and/or accommodation. Apart from that, our general service conditions apply to any kind of on-site service. These can be accessed at http://www.bvs-cnc. de/asb.html.
- 9.6 The customer is obligated to examine the goods immediately on receipt of the goods or services for obvious defects, and to report these to BVS in writing immediately, at the latest within 24 hours. Crucial for this calculation are the dates of delivery and BVS' receipt of the complaint. If a defect in the contractual object delivered is found later, the customer is similarly obligated to notify the defect to BVS immediately. For latent defects, the customer bears the burden of proof for showing that the defect could not have been determined earlier and that the goods have defects, which already existed on transfer of risk, without prima facie evidence applying. Otherwise, the goods are deemed approved.
- 9.7 If the goods show a defect on transfer of risk from BVS to the customer, BVS is entitled to resolve the defect by repairing it. The customer first becomes entitled to additional guarantee rights if BVS does not resolve the defect within a reasonable period or the repair fails, is unreasonable or impossible, or BVS refuses to repair it. If the defect cannot be determined during the attempt to repair it or at a later point in time, or it falls within the customer's area of responsibility, the customer will bear the costs for the examination and repair carried out by BVS under the current generally applicable rates of pay in accordance with the price list. The warranty claims only apply to the component showing the defect. The statements above also apply to defects occurring after transfer of risk and within the warranty period.
- 9.8 The customer has to grant BVS or a third party obliged to carry out the work under the warranty, 22 working days to carry out the work. Except in the circumstances of § 637, the customer is only entitled to carry out such work personally with permission from BVS. BVS bears the required expenses for rectification to a certain extent; these must be in reasonable proportion to the value of the item in a fault-free condition, to the importance of the defect and/or the possibility of obtaining another type of solution. The customer bears any additional costs.



- 9.9 BVS is not liable for malfunctions or damage to the contractual objects after the transfer of risk which arise based on inappropriate or improper use or operation, defective assembly or set-up by the customer or a third party, on a lack of compatibility with other systems or modules, on normal wear and tear, on defective or negligent treatment, and for the consequences of alterations or repair work carried out improperly by the customer or a third party and without BVS' consent.
- 9.10 Claims based on defects lapse after twentyfour (24) months, if not otherwise agreed in individual cases by disclosure using a supporting document. For our service "Cleaning and Inspection", there is no warranty. The limitation period for material defects begins with the delivery of the item or after notification that it is ready for collection from BVS, but at the latest within two days after collection of the goods or with acceptance of the work. The limitation period is neither delayed nor suspended for the time needed for rectification. It does not begin afresh. Further liability, in particular for damage not occurring to the goods directly, cannot be accepted unless intent, gross negligence or the breach of essential contractual obligations can be proven.
- 9.11 For goods produced by third parties ("third-party goods"), the customer is entitled to warranty rights against BVS in accordance with the following: BVS shall either (i) assert warranty rights concerning third-party goods in its own name and on the customer's behalf against the third party, or (ii) assign BVS' warranty rights against the third party to the customer to fulfil the compensation claim. If and insofar as it is not possible to enforce resolution of the defect against the third party, Clauses 9.1 to 9.9 apply.

10. No assumption of the procurement risk; right of rescission

BVS has the right to rescind the contract if it is impossible for BVS to deliver the goods because its suppliers and/or contractors do not deliver the goods or parts thereof, it would only be possible for BVS to procure a replacement with disproportionate/unreasonable expenditure, and BVS is not responsible for this impossibility, if these circumstances first occur after conclusion of the contract, were not foreseeable at the time the contract was concluded, and BVS shows that it has undertaken the procurement of similar goods in a reasonable way. BVS shall notify the Customer of any such event.

11. Non-disclosure

- 11.1 The customer is obligated to treat as highly confidential business secrets all non-public commercial, technical and other information that was obtained or became known within the scope of the business partnership, and not to make it accessible to third parties without prior approval from BVS. Passing on information to the customer's own employees can take place under the condition that knowledge of the relevant information is required to carry out the assignment. The obligation for non-disclosure continues after the business partnership has ended.
- 11.2 If BVS provides the customer with documentation, data, information used for data processing, software, material, type-related tools or equipment and objects (e.g. samples, models), to exercise contractual obligations, all existing and/or future rights will remain with BVS. There will be no transfer of ownership. Without prior written approval from BVS, the customer is not permitted to use, reproduce and/or make accessible in any way to third parties the object provided by BVS, in particular drawings, models, templates, samples or similar for any other purpose than the contractual purpose agreed between BVS and the customer. After the development is complete, the customer is obligated to return said objects to BVS.
- 11.3 The regulations above apply in particular in the event that the customer obtains such material from third parties exclusively to carry out the assignment awarded by BVS, or where the customer owns the material but the material or the product to be manufactured using the material contains or embodies specialist knowledge belonging to BVS.
- $11.4\ The customer must obligate potential subcontractors in accordance with the previous regulations.$
- 11.5 The customer can only advertise the business connection with prior written approval from BVS.
- 11.6 If required, further stipulations concerning confidentiality will be regulated in separate agreements.

12. Limitations of liability; force majeure

- 12.1 The liability of BVS and its representatives and vicarious agents for injuries to life, limb, and health, for breaches of essential contractual obligations, under the Product Liability Law; or where BVS fraudulently conceals a defect, has expressly accepted a guarantee, or has intentionally caused damage; is unlimited.
- 12.2 Subject to BVS' liability under Clause 11.1, its liability is limited (i) in all causes of negligence, (ii) for breaches of secondary obligations, (iii) lack of economic success, (iv) consequential losses, and (v) losses from third-party claims against the Customer, to an amount equal to the insured sum of the product liability insurance and liability insurance policy concluded by BVS, failing which, to the foreseeable losses typical for the contract. BVS is not liable for indirect damage or subsequent damage such as lost profits, loss of production (idle times, staffing costs, down times), costs for an external service technician or data loss if this is not based on intent or gross negligence by the legal representatives or agents, if defects were not fraudulently concealed or based on injury to life, body or health, or the acceptance of a warranty or a procurement risk or where liability is legally mandated for other legal reasons, in particular the product liability law.
- 12.3 Subject to the above, BVS is not liable for service disruptions which have been caused by unforeseeable events, particularly including business disruptions, strikes, lawful lockouts, shortages of labour, energy, difficulties procuring necessary official permits, official interventions, or the lack of, incorrect/unpunctual delivery from suppliers, unless attributable to BVS' intent/gross negligence. If BVS' delivery or service under the contract is significantly impeded or impossible due to such events not caused by BVS intentionally or by gross negligence, and this difficulty is for more than a temporary period, BVS is entitled to rescind the contract.
- 12.4 Clause 11 also applies for the benefit of all of BVS' employees, institutions, and vicarious agents.

13. Retention of title; work contractor's right of lien

- 13.1 BVS retains title to the goods ("Reserved goods") until the Customer has fulfilled all claims from the contract underlying these claims ("Retention of title"). The Retention of title also expands to the share of items created through processing, combining, mixing, or installing the Reserved goods, calculated using the value of the particular Reserved goods ("Expanded retention of title"), and also to claims which the Customer acquires against third parties from resale of the Reserved goods ("Extended retention of title").
- 13.2 The Customer is obligated to handle the Reserved goods with care, to insure them sufficiently for their replacement value at his own expense against losses from fire, water damage, and theft, to carry out maintenance and repair work on the Reserved goods on time and at his own expense, and neither to use them as security or pledge them without BVS' consent.

- 13.3 The Customer is obligated to inform BVS immediately in writing of pledges and other procedures interfering with BVS' title, and to indemnify BVS against the costs BVS incurs in securing/realising its rights
- 13.4 The Customer is obligated to expressly notify third parties of the Retention of title.
- 13.5 The Customer is to notify BVS immediately in writing of changes of address or changes in the location of the Reserved goods or parts thereof.
- 13.6 The Customer grants BVS a contractual work contractor's right of lien in accordance with Section 1204 et seq. of the German Civil Code (BGB) to the goods kept in BVS' ownership.

14. Compliance with legal requirements

- 14.1 In the case of the engagement of employees, agents and contractors, the client warrants that all required regulatory approvals (such as work permits, residence permits) are present. The client exempts BVS from all legal consequences arising from non-compliance with these requirements.
- 14.2 The client guarantees compliance, both by himself and his contractors, with all legal requirements (health and safety, business license, etc.), and in particular the minimum wage law. In this context, the client is obliged, upon written request from BVS, to present evidence of minimum wage payments made by the client or his contractors. The client exempts BVS from all claims relating to minimum wage requirements; this also applies to any accrued fines. The client also undertakes to inform BVS promptly if there is a suspicion that he or one of his contractors has contravened statutory minimum wage requirements.

15. Final provisions

- 15.1 Subject to an agreement between the parties, the place of performance is the registered office of BVS.
- 15.2 The international place of jurisdiction is Germany. The local place of jurisdiction for all disputes about the contract is if and insofar as this can be validly agreed Hanau, Germany.
- 15.3 This contract is subject to German law, to the exclusion of UN Sales Law (CISG).

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