

International Conditions of Sale

I. Application of the International Conditions of Sale

1. These International Conditions of Sale apply to all contracts made with the customers of Schröter Technologie GmbH & Co. KG – hereinafter referred to as Schröter – on or after 1 March 2019 whose preponderant object is the **supply of goods** to the customer. Additional obligations assumed by Schröter do not affect the application of these International Conditions of Sale.
2. **Terms of business of the customer** conflicting with or differing from these International Conditions of Sale or the provisions applicable according to section X.-2. or X.-3. do not bind Schröter, even if Schröter does not object to them or even if Schröter unconditionally renders performance or receives the customer's performance.
3. These International Conditions of Sale do not apply, if the customer buys the goods for **personal, family or household use** and if Schröter knew or should have known that at the time of the formation of the contract.

II. Formation of the Contract

1. The customer is under an obligation to give **written notice to Schröter prior to the formation of a contract** if
 - the goods to be delivered are to be fit not only for normal use or the customer orders on the assumption of a particular purpose or his expectations are based on public statements, advertising messages or other circumstances outside the formation of the concrete contract,
 - the goods to be delivered will be used in circumstances which are unusual or which present a particular risk to health, safety or the environment, or which require a more demanding use,
 - there is a risk of atypical damages or unusual amounts of loss, in particular exceeding the limits set up in section VII.-1.-d), of which the customer is or ought to be aware or
 - the goods to be delivered will be used in Germany or will be delivered to customer's clients resident in Germany.
2. **Orders of the customer** are to be put in writing. If the customer's order deviates from the proposal or the tender submitted by Schröter, the customer will emphasize the differences as such.
3. All orders, in particular also those received by employees of Schröter, will take effect **exclusively if followed by a written acknowledgement** of the order by Schröter. The actual delivery of the goods ordered, any other conduct of Schröter or silence on the part of Schröter does not allow the customer to assume the formation of the contract. Schröter can dispatch such written acknowledgement of the order up to and including **fourteen (14) calendar days after** the customer's order has been received by Schröter. Until this time, the customer's order is irrevocable.
4. The written **acknowledgement of the order** by Schröter shall be **received in time**, if it is received by the customer within fourteen (14) calendar days after its date of issue. The customer will inform Schröter without delay in writing, if the written acknowledgement of the order is received with delay.
5. The written acknowledgement of the order by Schröter sets out all the **terms of the contract** and brings the **contract into effect** even if - except for the description, the price for the goods and the quantity to be delivered - the written acknowledgement

is not consistent with the declarations of the customer in every respect, especially with reference to the exclusive application of these International Conditions of Sale. The contract will only fail to come into existence if the **customer objects in writing** that the acknowledgement of the order by Schröter is not completely consistent with the declarations of the customer, the customer specifies the deviations in writing and if the objection is received by Schröter within a short time, at the latest seven (7) calendar days, after receipt of the written acknowledgement of the order by the customer.

6. **Particular wishes** of the customer, namely particular expectations of the customer regarding the usage or the condition of the goods, guarantees or warranties with reference to the goods or the performance of the contract, as well as performance declarations, instruction manuals or security-related information requested by the customer in electronic or print form, require express written confirmation by Schröter in every case.
7. Confirmations of the contract produced by the customer are of **no effect** without any objection by Schröter being necessary. In particular, neither the actual delivery of the goods, any other conduct of Schröter or silence on the part of Schröter shall give rise to any belief by the customer in the relevance of his confirmation.
8. Schröter's **employees**, commercial agents or other sales intermediaries are not authorized to dispense with the requirement of a written acknowledgement of the order by Schröter or to make promises which differ from its content or guarantees. If and to what extent such persons are authorized to make or receive declarations with effect for or against Schröter, is to be determined according to German law.
9. **Amendments** to the concluded contract always require written confirmation by Schröter.

III. Obligations of Schröter

1. Subject to a failure of delivery on part of his suppliers despite a congruent covering transaction or to an exemption according to section VII.-1. b) Schröter must **deliver the goods** specified in the written acknowledgement of the order and transfer the property in the goods. Schröter is **not obliged to perform obligations** not stated in the written acknowledgment of the order by Schröter or in these International Conditions of Sale, in particular Schröter is under no obligation if not explicitly agreed upon in writing to render planning-services, to give information regarding the goods, to furnish documents or certificates regarding the goods, to deliver accessories, to install additional safety devices, to carry out assemblies or to advise the customer.
2. Schröter's obligations under the contract made with the customer are owed only to the customer. **Third parties not involved** in the formation of the contract, in particular the customer's clients, are not entitled to request delivery to be made to them or to assert any other claim arising from the customer's contract with Schröter. The customer's entitlement to take delivery continues to exist even if he **assigns rights to third parties**.
3. Taking account of the **tolerances customary** in trade, Schröter undertakes to deliver to the customer goods of the agreed kind and quantity which meet the common standards applicable in Germany and ensures that at the time of delivery the goods are free from rights or claims of private third parties which could prevent its use within the European Union. If the goods cannot be delivered in the condition offered at the time of the formation of the contract because technical improvements to goods of series production were made, Schröter is entitled to deliver the goods with the technical improvements. Periods of guarantee are subject to a single shift

operation only per day (8 hours). Schröter is entitled to make **part deliveries** and to invoice them separately.

4. If further **specification** is required in relation to the goods to be delivered, Schröter will carry this out having regard to his own interests and to the identifiable and legitimate interests of the customer. A request to the customer to specify the goods, or to participate in the specification, is not required. Schröter does not undertake to inform the customer of the specification he has made or to give the customer the option of a differing specification.
5. If no other delivery term or Incoterm-clause has been agreed, delivery has to be made **CPT Incoterms 2010**. Under no circumstances, not even when other clauses of the Incoterms are agreed, is Schröter obliged to examine the goods with respect to their conformity with the contract on the occasion of delivery, or to check the operational safety of the means of transport and the transportation safe loading.
6. Compliance with agreed **delivery time periods** or **delivery dates** is subject to the customer's procuring any required documents, releases, permits, approvals, licences or any other authorizations or consents in sufficient time, opening letters of credit and/or making down-payments as agreed and performing all other obligations incumbent upon him properly and in good time and subject to no delay caused by pre-shipment inspections mandated by non-German authorities. Moreover, agreed delivery time-periods begin on the date of the written acknowledgement of the order by Schröter. After informing the customer, Schröter is entitled to deliver earlier than at the agreed delivery time or to select the date of delivery within the agreed period for delivery.
7. Without prejudice to his continuing legal rights, Schröter is entitled to fulfil his obligations **after the delivery time periods or delivery dates agreed upon**, if the customer is informed that Schröter will exceed the delivery time limit and of the time period for late performance. Subject to aforesaid conditions, Schröter is entitled to make repeated attempts at late performance. The customer can object to late performance within reasonable time, if the late performance is unreasonable. An objection is only effective, if it is received by Schröter before commencing late performance. Schröter will reimburse necessary additional expenditure, proven and incurred by the customer as a result of exceeding the delivery time to the extent that Schröter is liable for this under the provisions laid down in section VII.
8. **Risks as to price and performance** even in relation to goods which are not clearly identifiable to the contract and without it being necessary for Schröter to give notice to the customer about the goods being placed at disposal, pass to the customer in accordance with the agreed Incoterm-clause, albeit irrespective thereof with readiness for delivery by Schröter according to the originally agreed delivery time periods or delivery dates, if these are postponed on customer's request, or as soon as the title to the goods has passed to the customer.
9. Irrespective of the Incoterm-clause agreed upon, Schröter is neither obliged to clear the goods for export nor to take care of customs advance declarations. However, Schröter will apply for necessary export licences and operate **customs formalities necessary for the export** if the customer has requested Schröter to do so and has furnished Schröter with the data essential for the export in a written notice dealing with this purpose exclusively. If the goods are not cleared for export without any intentional or grossly negligent fault on the part of Schröter, Schröter is entitled to avoid the contract in whole or in part without compensation. The agreement of other clauses of the Incoterms or of clauses such as "delivery free....." or similar ones merely involve a variation of the provisions as to the transportation and the transportation costs; besides that, the provisions laid down in these International Conditions of Sale remain applicable.

10. Unless expressly agreed in written form something different, Schröter is irrespective of the Incoterm-clause agreed upon **not obliged** to obtain proves of delivery, **documents**, certificates, licences or other authorizations necessary for the export, transit or import, or to achieve **security clearance** of the goods required for the carriage or otherwise or to render assistance to the customer in obtaining them. The agreement of other clauses of the Incoterms or of clauses such as "delivery free....." or similar ones merely involve a variation of the provisions as to the transportation and the transportation costs; besides that, the provisions laid down in these International Conditions of Sale remain applicable.
11. Schröter is in no case liable to perform duties associated with the making available of the goods on the market **outside Germany**, to bear levies, duties and charges accruing outside Germany, to comply with weight and measuring systems, packaging, labelling or marking requirements or registration or certification obligations applicable outside Germany or to comply with any other legal provisions applicable to the goods outside Germany. The customer will arrange for translations in any language other than German of instructions, safety information, performance declarations or other written materials about the goods required by law or called for otherwise at his risk and expense.
12. Without prejudice to his continuing legal rights and without a previous notice to the customer being necessary, Schröter is entitled to **suspend the performance of his obligations** as long as, in the opinion of Schröter, there are grounds for concern that the customer will wholly or partly fail to fulfil his obligations in accordance with the contract. In particular, the right to suspend arises if the customer insufficiently performs his obligations to enable payment to Schröter or a third party or pays late or if the limit set by a credit insurer has been exceeded or will be exceeded with the forthcoming delivery. Instead of suspending performance Schröter is entitled at his own discretion to make future deliveries, even if confirmed, conditional on payment in advance or on opening of a letter of credit confirmed by a major German commercial bank. Schröter is not required to continue with performance of his obligations, if an assurance given by the customer to avoid the suspension does not provide adequate security or could be challenged pursuant to an applicable law.
13. Except as provided in section III.-7., Schröter is only obliged to inform the customer of **possible disruption in performance**, once the commencement of the disruption is definitely certain for Schröter.

IV. Obligations of the Customer

1. Irrespective of continuing obligations of the customer to guarantee or to enable payment, the customer undertakes to pay the **agreed price for the goods** in the currency specified in the written acknowledgement of the order **transferring it** without deduction and free of expenses and costs to one of the financial institutions designated by Schröter. To the extent that a price for the goods has not been agreed, the price which is at the time of delivery Schröter's usual selling price for the goods will apply. Schröter's employees, commercial agents or other sales intermediaries are not authorized to accept payments.
2. The payment to be made by the customer is in any event **due for payment** at the time specified in the written acknowledgement of the order or - if a time for payment is not indicated - on receipt of the invoice. The due time for payment arises without any further pre-condition and, in particular, does not depend on whether the customer has already taken delivery of the goods or the documents or has had an opportunity to examine the goods. The **periods granted for payment** will cease to apply and outstanding accounts will be due for immediate payment, if insolvency proceedings relating to the assets of the customer are applied for, if the customer without providing a justifiable reason does not meet fundamental obligations due towards Schröter or towards third parties, if the customer has provided inaccurate

information regarding his creditworthiness or to the extent that the cover given by a credit insurer for the customer is reduced on grounds for which Schröter is not responsible.

3. The customer warrants to have the goods transported abroad, not to transfer the right of disposal to third parties as long as the goods are in Germany, and to fulfil all legal requirements and documentations for the handling regarding **customs laws and value added tax** of the delivery or any service according to the applicable provisions in Germany. To the extent that Schröter has to pay German or foreign customs duties or German or foreign value added tax, the customer will indemnify Schröter in all and every respect without prejudice to any continuing claim by Schröter. The indemnity is granted by the customer waiving any further requirements or other defences, in particular waiving the defence of limitation or prescription and also includes the reimbursement of the expenses incurred by Schröter.
4. Regardless of the currency and of the jurisdiction of any arbitral tribunal or court, Schröter is entitled at his own discretion to **set off** incoming payments against claims existing against the customer by virtue of his own or assigned rights at the time of payment.
5. Any statutory rights of the customer to **set-off** against claims of Schröter, to **withhold payment** or taking delivery of the goods, to **suspend** the performance of his obligations or to **raise defences or counterclaims** are excluded, except where the corresponding claim of the customer against Schröter is in the same currency, is founded in the customer's own right and is either due and undisputed or has been finally adjudicated or where despite written warning by the customer Schröter has committed a fundamental breach of his obligations due and arising out of the same contractual relationship, and has not offered any adequate assurance.
6. The customer undertakes to furnish Schröter with the data to apply for the **customs formalities** according to section III.-9. in reasonable time ahead and in writing, **to take delivery** of the goods and shall fulfil all the duties imposed by the contract, by these International Conditions of Sale, by the rules of the ICC for the use of the agreed clause of the Incoterms® 2010 and by statutory provisions. The customer is only entitled to refuse to take delivery of the goods if he avoids the contract in accordance with the rules in section VI.-1.
7. The customer will not promise or perform any act with regard to the goods purchased from Schröter, if such act is **forbidden** under the applicable provisions in particular of **foreign trade law** including the U.S. export control regulations. To the extent that the customer is unsure whether such prohibitions exist, the customer shall seek consultation with Schröter in writing.
8. The customer will **monitor the goods** purchased from Schröter **in the market** and will inform Schröter without delay in writing of any concern that the goods might pose a risk for third parties. Moreover, the customer will, without any demand being necessary, inform Schröter in writing if Schröter has to observe any particular duties of reporting or registration or providing information or prior notification or other **requirements for access to market** or has to comply with **obligations to retain documents**, under the provisions in force in the customer's country or in the country where the goods are to be used.
9. Irrespective of any statutory provisions, the customer shall at his own cost take care of or in any other way ensure renewed utilization, material recycling or otherwise prescribed **waste-disposal** of the goods delivered by Schröter to the customer and of the packaging material.

V. Delivery of non-conforming Goods or Goods with Defective Title

1. Without prejudice to any exclusion or reduction of liability of the seller provided by law, goods do **not conform with the contract** if the customer proves that, taking into account the terms in section III., at the time the risk passes the packaging, quantity, quality or the description of the goods is significantly different to the specifications laid down in the written acknowledgement of the order, or in the absence of agreed specifications, the goods are not fit for the purpose which is usual in Germany. Changes in design, construction or material which reflect technical improvements do not constitute a lack of conformity with the contract. Regardless of the stipulation established in sentence 1, the goods shall be deemed to conform with the contract to the extent that the legal regulations applicable at the place of business of the customer do not prevent the usual use of the goods.
2. To the extent that the written acknowledgement of the order by Schröter does not contain an explicit statement to the contrary, Schröter is in particular **not liable** for the goods being fit for a purpose which is not usual in Germany or for complying with further reaching expectations of the customer or for possessing the qualities of a sample or a model or for their compliance with the legal regulations existing outside Germany, for instance in the customer's country. Schröter shall also not be liable for any non-conformity with the contract that did not exist at the time the risk has passed. To the extent that the customer, either himself or through third parties, initiates the removal of non-conformities without the prior consent of Schröter in writing, Schröter will be released from his liability.
3. The customer is obliged vis-à-vis Schröter to **examine or to have examined** every single delivery comprehensively for any discoverable or typical lack of conformity with the contract and moreover as required by law.
4. Without prejudice to any exclusion or reduction of liability of the seller provided by law, goods have a **deficiency in title** if the customer proves that the goods are not free from enforceable rights or claims of private third parties at the time risk passes. Without prejudice to further legal requirements, third parties' rights or claims founded on industrial or other intellectual property constitute a deficiency in title only to the extent that the rights are registered, made public and in legal force in the European Union and prevent the usual use of the goods in the European Union. Regardless of the stipulation established in sentence 1, title to the goods shall be deemed not to be defective to the extent that the legal regulations applicable at the place of business of the customer do not prevent the usual use of the goods.
5. Without prejudice to the statutory obligations of the customer to give notice within reasonable time, the customer is obliged vis-à-vis Schröter to give notice to Schröter of any lack of conformity with the contract or any deficiency in title at the latest within one (1) year after taking delivery in accordance with section IV.-6. Such **notice** has to be made in writing and directly to Schröter and to be formulated in such a precise manner as to enable Schröter to effect remedy measures without need for further inquiries from the customer and to secure claims against Schröter's suppliers and moreover as required by law. Schröter's employees, commercial agents or other sales intermediaries are not authorised to accept notices outside Schröter's premises or to make any statements concerning lack of conformity with the contract or of title and its consequences.
6. Following **due notice** according to section V.-5., the customer can rely on the remedies provided by these International Conditions of Sale. The customer has no other rights or claims whatsoever and no claims of a non-contractual nature due to delivery of non-conforming goods or goods with defective title. In the event of **notice not having been properly given**, the customer may only rely on remedies if Schröter has intentionally concealed the lack of conformity with the contract or the deficiency in title. Statements by Schröter as to the lack of conformity with the contract or as to the deficiency in title are for the purpose of explaining the factual

position only, but do not entail any waiver by Schröter of the requirement of proper notice.

7. The customer is **not entitled to remedies** for delivery of non-conforming goods or goods with a deficiency in title, insofar as the customer is liable vis-à-vis third parties for conditions of the goods or their fitness for a use which are not subject of the agreement with Schröter, or if the customer's claim is based on foreign law.
8. To the extent that the customer in accordance with the terms of these International Conditions of Sale is entitled to remedies because of delivery of non-conforming goods or goods with defective title, he is entitled to demand in accordance with the terms of the UN Sales Convention **delivery of substitute goods or repair of Schröter or to reduce the price for the goods**. The delivery of substitute goods or repair does not lead to a recommencement of the limitation period. The customer has no right of retention on the goods to be returned. The reduction of the price for the goods is limited to the damages suffered by the customer. Further claims for performance are not available to the customer. Irrespective of the customer's remedies, Schröter is always entitled in accordance with the provision in section III.-7. to repair goods which do not conform with the contract or to supply substitute goods or to avert the customer's remedies by giving him a credit note of an appropriate amount.
9. In case of **unjustified assertion of remedies** for delivery of non-conforming goods or goods with a deficiency in title, although the customer is or ought to have been aware that a non-conformity or a deficiency in title does not exist or that the cause for such non-conformity or deficiency in title claimed are not to be attributed to Schröter, the customer is obliged to reimburse Schröter for expenses incurred due to the unjustified assertion of claims.

VI. Avoidance of the Contract

1. The **customer** is entitled to declare the contract avoided, if the respective applicable legal requirements are complied with, after he has threatened Schröter in reasonable time after the facts justifying the avoidance of the contract had occurred with avoidance of the contract in writing and an additional period of time of reasonable length for performance fixed in writing has expired to no avail. If the customer claims delivery of substitute goods, repair or other performance, he is bound for a reasonable period of time to the chosen remedy, without being able to exercise the right of declaring the contract avoided. In any event, the customer must give notice of avoidance of the contract within reasonable time after the additional period of time has expired in writing and to Schröter directly.
2. Without prejudice to his continuing legal rights, **Schröter** is entitled to avoid the contract in whole or in part if the customer objects to the application of these International Conditions of Sale, if the implementation or performance of the contract is prohibited by the law in whole or in part, if on grounds for which Schröter is not responsible the written acknowledgement of the order by Schröter is received by the customer more than fourteen (14) calendar days after its date of issue, if insolvency proceedings relating to the assets of the customer are applied for, or if for other reasons Schröter cannot be expected to fulfil his obligations by means which - taking into consideration his own interests and that of the customer as far as ascertainable and legitimate at the time of formation of the contract - are unreasonable, in particular in relation to the agreed counter-performance.
3. Without prejudice to his continuing legal rights, Schröter is entitled to avoid the contract in whole or in part after **prior warning** if the customer does not place call off orders as agreed, if he does not furnish Schröter with the data necessary to apply for customs formalities in due time, if without providing a justifiable reason he does not meet fundamental obligations due towards Schröter or towards third

parties, if he has provided inaccurate information regarding his creditworthiness or to the extent that the cover given by a credit insurer is reduced on grounds for which Schröter is not responsible.

VII. Damages

1. Without waiving the legal requirements, **Schröter** is only obliged to **pay damages** due to the breach of obligations resulting from the contract with the customer, the contractual negotiations carried on with the customer or the business relation with the customer in accordance with the following provisions. These provisions apply equally for all of Schröter's obligations to **reimburse expenses**.

a) The customer is required in the first instance to **rely on other remedies** and can only claim damages in the event of a continuing deficiency. The customer cannot claim damages as an alternative to other remedies.

b) **Schröter is not liable** for the conduct of suppliers, subcontractors, carriers or freight-forwarders, for damages to which the customer has contributed or for the consequences of customer interference with the security and/or safety technology of the delivered goods. Schröter is not liable if the contract cannot be performed as agreed at the time of its formation due to subsequent statutory or sovereign measures. Neither is Schröter liable for impediments which occur, as a consequence of natural or political events, acts of state, industrial disputes, sabotage, accidents, terrorism, biological, physical or chemical processes or comparable circumstances and which cannot be controlled by Schröter with reasonable means. Moreover, **Schröter is only liable** to the extent that the customer proves that the executive bodies or members of staff of Schröter have deliberately or negligently breached contractual obligations owed to the customer.

c) In the event of liability, Schröter will compensate within the limits of lit. d) the **losses** of the customer to the extent that the customer proves that he has suffered an unavoidable loss caused by the breach of obligations owed to the customer by Schröter and **foreseeable** to Schröter, at the time of the formation of the contract in respect of the occurrence of the loss and its amount. Moreover, the customer is required to **mitigate his loss** as soon as a breach of contract is or ought to be known.

d) Schröter is **not liable** for loss of profit or damage to reputation. If Schröter has taken on the obligation to put into operation the machine delivered, Schröter is also not liable for damages to the products provided by the customer for the putting into operation. Moreover, the **amount of damages** for late or non-existent delivery is limited to 0.5 per cent for each full week of delay, up to a maximum of 5 per cent of the net purchase price of the goods delivered late or not at all, and in case of remedies because of delivery of non-conforming goods and/or goods with a deficiency in title is limited to an amount of 200 per cent of the net purchase price of goods affected. However, this subparagraph does not apply to injury of life, body or health, to intentional concealment of the non-conformity or deficiency in title of the goods and to breaches of contractual obligations due to intentional harm or gross negligence.

e) For breach of contractual, pre-contractual or obligations resulting from the business relation owed to the customer, Schröter is obliged to pay damages exclusively in accordance with the provisions of these International Conditions of Sale. Any recourse to **concurrent bases of claim**, in particular of a non-contractual nature, is excluded. Equally excluded is any recourse against Schröter's company organs, employees, servants, members of staff, representatives and/or those employed by Schröter in the performance of his obligations on grounds of breach of contractual obligations owed by Schröter.

2. Irrespective of continuing statutory or contractual claims, the **customer** is obliged to pay **damages** to Schröter as follows:

a) In the event of **delay in payment**, the customer will pay a lump sum of EUR 50.00, the costs of arbitral, judicial and extra-judicial means and proceedings, usual and accruing within the country and abroad, as well as (without evidence being necessary) interest at the rate applicable in 33829 Borgholzhausen/Germany for unsecured short-term loans in the agreed currency, at least however interest at 9 per-cent points over the base rate of the German Federal Bank (Deutsche Bundesbank).

b) In the case of a **late taking delivery** of the goods by the customer by more than two (2) weeks, Schröter is entitled to claim damages without evidence being necessary of 5 per cent of the value of the goods to be delivered. In the case of a late taking delivery of the goods by the customer by more than six (6) weeks or an entire failure to take delivery as well as in the event of non-delivery due to a breach of contract by the customer, Schröter is entitled to claim **damages without evidence being necessary** of 20 per cent of the value of the goods to be delivered.

c) If the contract has been **avoided by the customer** without justification, Schröter is entitled, insofar as he consents to the avoidance, to claim damages without evidence being necessary in the amount of 20 per cent of the value of the goods to be delivered.

3. Within the bounds of what is legally possible as well as within what is usual in the trade, the **customer** is in his commercial relationships with his clients obliged to **limit his liability** both in principle and in amount.

VIII. Limitation Period

Without prejudice to claims resulting from a malicious, grossly negligent or intentional conduct as well as claims due to injury of life, body or health, the customer's claims in respect of the delivery of new non-conforming goods and new goods with a defect in title become time-barred one (1) year after delivery of the goods. Second-hand goods are delivered without any liability for their lack of conformity or for defects in title, unless Schröter has breached contractual obligations intentionally or grossly negligently. The delivery of substitute goods or the repair of delivered goods does not lead to a restart or suspension of the limitation period.

IX. Other Provisions

1. **Title of the goods** that have been delivered **remains with Schröter** until settlement of all claims existing against the customer. The allocation of risk as to price and performance in section III.-8. is not affected by the reservation of title.

2. Irrespective of continuing statutory or contractual claims, the customer will indemnify Schröter without limit against all claims of third parties which are brought against Schröter on the grounds of **product liability** or similar provisions, to the extent that the liability is based on circumstances which - such as, for example, the presentation of the product - were caused by the customer or other third parties without express written consent of Schröter. In particular, the indemnity also includes the reimbursement for expenses incurred by Schröter and is granted by the customer waiving further conditions or other objections, in particular without requiring compliance with control and recall obligations, and waiving any defence of limitation.

3. In relation to pictures, drawings, calculations and other **documents** and computer-software, which have been made available by Schröter in a material or electronic

form, the latter reserves all proprietary rights, copyrights, other industrial property rights as well as know-how rights.

4. Subject to written objection by the customer, **personal data**, which Schröter receives from the customer in the execution of activities covered by these International Conditions of Sale, are processed by Schröter and also by service providers located in Germany or abroad. They are to be kept secret from third parties and should only be used to further the performance of the respective contract.
5. The transmission of **electronic documents (EDI)** requires special agreements.
6. All communications, declarations, notices etc. are to be drawn up exclusively in **German or English**. Communications by means of fax or e-mail fulfil the requirement of being **in writing**.
7. If Schröter undertakes to put delivered machines into operation, qualified personal and representative material in sufficient quantity and free of charge will be provided by the customer for **testing-purposes**.
8. The customer has a non-exclusive right to use the **software** delivered with the goods. The use of the software independently of the delivered goods or the passing on of the software to third parties is not permitted.

X. General Basis of Contracts

1. The **place of delivery** results from the agreed Incoterm-clause and applies likewise to the delivery of substitute goods or the repair of delivered goods. The **place of payment and performance** for all remaining obligations arising from the legal relationship between Schröter and the customer is 33829 Borgholzhausen/Germany. These provisions also apply if Schröter assumes the costs of money remittance, renders performance for the customer somewhere else or payment is to be made in exchange of documents or goods or in the case of restitution of performances already rendered. Schröter is also entitled to require payment at the place of business of the customer.
2. The United Nations Convention of 11 April 1980 on Contracts for the International Sale of Goods (**UN Sales Convention / CISG**) in the English version governs the legal relationship with the customer. The UN Sales Convention applies, above and beyond its own area of application, and regardless of reservations adopted by other states, to all contracts to which these International Conditions of Sale are to be applied according to the provisions of section I.
3. The **formation of contract**, including agreements as to the jurisdiction of courts and arbitrators, its amendments or alterations, and the contractual **rights and obligations of the parties**, also including the liability for death or personal injury caused by the goods to any person and breach of pre-contractual and collateral obligations, as well as the interpretation are exclusively governed by the UN Sales Convention together with these International Conditions of Sale. Where standard terms of business are used, in case of doubt the Incoterms 2010 of the International Chamber of Commerce apply taking into account the provisions stipulated in these International Conditions of Sale. Subject to differing provisions in these International Conditions of Sale, the rest of the legal relationship between the parties is governed by the Swiss Code of Obligations.
4. All contractual and extra-contractual disputes as well as disputes under insolvency law, arising out of or in connection with contracts to which these International Conditions of Sale apply, including their validity, invalidity, breach or cancellation as

well as other disputes arising out of the business relationship with the customer shall be finally resolved, without recourse to the ordinary courts of law, by arbitration according to the **Swiss Rules of International Arbitration** of the Swiss Chambers' Arbitration Institution in force on the date when the Notice of Arbitration is received in accordance with these Rules. The tribunal shall consist of three (3) arbitrators, one (1) of them shall be nominated by the claimant, one (1) of them by the respondent and the chairman of the tribunal shall be designated by the two arbitrators so nominated, or if the amount in dispute is inferior to € 250.000, there shall be one (1) arbitrator appointed according to the Swiss Rules of International Arbitration. The place of the arbitration shall be Zurich/Switzerland, the languages used in the arbitral proceedings shall be German and/or English. The competence of the Arbitral Tribunal excludes especially every statutory competence of state courts, which is provided by reason of a personal or substantive relation. If this arbitration clause is ineffective or ceases to be effective, the non-exclusive jurisdiction of the courts which have jurisdiction for 33829 Borgholzhausen/Germany is agreed for all disputes instead. **If the relevant place of business of the customer is within the European Economic Area (EWR) or Switzerland**, irrespective of any ineffectiveness of the arbitration clause and instead of bringing an action before the arbitral tribunal, **Schröter is also entitled to bring an action before the State Court which has jurisdiction for 33829 Borgholzhausen/Germany or the State Court of the customer's place of business.**

5. If provisions of these International Conditions of Sale should be or become partly or wholly ineffective, the remaining arrangements will continue to apply. The parties are bound to replace the ineffective provision with a legally valid provision, as close as possible to the commercial meaning and purpose of the ineffective provision.