

General Terms and Conditions (GTC) of business of KATHREIN Solutions GmbH

I. Supplies and services

1. The terms of delivery and payment as set out below shall be exclusively applicable to our supplies and services in conformity with the general conditions for the supply of products and services of the electrical and electronics industry (so-called "Green Terms of Delivery") recommended by ZVEI-Zentralverband Elektrotechnik- und Elektronikindustrie e.V.* Any diverging terms and conditions must be expressly confirmed by us in writing. Any conflicting and supplemental terms and conditions of the purchaser, in particular, the exclusion of retention of title and prohibition to set-off counterclaims will not be accepted by us.
2. KATHREIN Solutions GmbH has been applying an integrated management system for quality assurance, environment and occupational safety.
3. The right to over-deliveries or short deliveries of up to 10% shall be reserved for custom-made products.
4. We reserve, without limitation, all rights to cost estimates, drawings and other documents. They shall not be made available to any third party without our prior consent. If no contract is awarded, the drawings and other documents associated with the bid shall be returned completely and immediately upon request.
5. The purchaser shall have the non-exclusive right to use standard software provided it is used on the agreed equipment, within the agreed performance parameters and remains unchanged. The purchaser shall be entitled to make a backup copy without express consent.
6. We shall be entitled to involve third parties to render supplies and services.

II. Prices

1. Unless otherwise agreed, the prices upon delivery shall be, without installation or assembly, ex works plus applicable statutory rate of value added tax. All prices shall be subject to confirmation. The prices valid on the date of delivery shall be charged. If the goods are picked by a purchaser from another EU member state without sales tax identification number in Germany, or delivered to such purchaser, value added tax shall be charged, but refunded if the Purchaser furnishes proof as required by Sect. 6a UStG [German Value Added Tax Act], for a tax-free, intra-community delivery. Any tax falling due for the purchase of goods and services shall be borne by the Purchaser.
2. Unless otherwise agreed, we deliver within Germany carriage paid including returnable packing to the receiving station (usual receiving area of purchaser) and "ex works" respectively for customers abroad. The packaging shall be returned at purchaser's cost.
3. Special packaging, e.g. for sea freight will be charged at cost.

III. Retention of title

1. The items delivered shall remain our property (retained goods) until each and every claim arising out of the business relationship against the purchaser, including any current account balance claim has been fulfilled.
2. For the duration of the retention of title, the purchaser may not pledge such goods or use the same as security. Resale shall be possible only for resellers in their ordinary course of business and only on the condition that the reseller receives payment from its customer or makes the transfer of property dependent upon the customer fulfilling its obligation to make payment.
3. In the event of resale, the purchaser shall assign to us, already upon concluding the transaction with us, its purchase price claim in the amount of the sales price charged to the purchaser as security without any subsequent declaration to this effect being necessary. If the retained goods are resold together with other items, without having agreed an individual price for the retained goods, the purchaser shall assign to us with priority to any other accounts receivable such percentage of the total price claim as is attributable to the price of the retained goods invoiced by us. Upon furnishing prima facie evidence of a legitimate interest, the purchaser shall provide the information necessary for asserting our rights against the customer and hand over the necessary documents. Until further notice, the purchaser shall be entitled to collect assigned claims from resale. Upon good cause shown, in particular delayed payment or other causes that may give rise to suspecting a jeopardy to our payment claim, we shall be entitled to withdraw from the purchaser the permit to collect. We may also upon prior warning maintain a reasonable time limit disclose the assignment for security, realize the assigned claims and request disclosure of assignment by the purchaser towards the customer.
4. The purchaser may process, amalgamate or combine the retained goods with other items. Any processing, amalgamation, or combining (jointly called "processing") is made on our behalf. The purchaser shall safe keep the new item with the care of a prudent businessman. The new item shall be considered retained goods. If processed with other items that are not our property we shall acquire co-ownership in the new items in the share resulting from the ratio of value of the processed retained goods to the value of the other processed goods at the time of processing. If the purchaser acquires sole property in the new item, it shall grant us co-ownership in the new item obtained by such processing in the proportion of the value of the processed retained goods to the other processed goods at the time of processing. Should the new item be sold, the purchaser shall assign to us its claim from resale towards the customer including all collateral rights as security without any declaration to this effect being necessary. Such assignment shall only apply to the amount corresponding to the value invoiced by us for the processed retained goods. The portion of claim assigned to us shall be satisfied as a matter of priority. As regards the authority to collect and the precondition of its withdrawal Item III.3 shall apply. Where the purchaser combines retained goods with real estate or movable goods, it shall without any further declaration to this effect being necessary, also assign as security its claims to consideration for the combination including all collateral rights for the prorate amount of the value that the combined retained goods have on the other combined items at the time of combination.
5. Any pledge, seizure, other order or act of intervention by third parties shall be notified forthwith.
6. When the purchaser fails to meet its duties, in particular delay in payment, we shall be entitled, after having set a reasonable grace period, to cancel the contract and take back the goods, and the purchaser shall be obligated to return the goods. Any outstanding discount/bonus will lapse.

IV. Terms of payment

1. Unless agreed otherwise or indicated on the invoice, accounts receivable shall become due with immediate effect, and payment shall be rendered without deduction not later than 30 days from the date of invoice.
2. Cheques and bills of exchange shall be considered payment after receipt of counter-value only. Any collection and discount charges shall be borne by the purchaser. Bills of exchange will be accepted by us after prior approval only.
3. The purchaser may only set off those claims that are undisputed and non-appealable.
4. If the above conditions are not met, the entire balance shall become payable with immediate effect. No discount will be granted if there exists an overdue balance in our favor at the time of payment. Payments shall be counted against the oldest debt and any ancillary cost. If the purchaser defaults in payment, we shall charge default interest at the amount of 8% p.a. above the base rate of the European Central Bank.
5. We shall be entitled to provide supplies and services against advance payment or security only if there is credible information giving reason to expect that the purchaser's pecuniary circumstances have substantially deteriorated after contract conclusion especially where the Purchaser fails to settle accounts due. If the purchaser is not willing to do so we may withdraw from outstanding purchase orders.

V. Terms of delivery

1. Delivery periods shall be non-committal and are indicated by us to the best of our judgment and maintained to the extent possible. Claims for damages for excusable non-performance or exceeding an agreed delivery date, even upon expiry of a grace period, shall be excluded.
2. In events of force majeure, such as mobilization, unrest, war, legal lockout, strike, lack of raw material, accident, fire, ingress of water and other circumstances unforeseeable and unavoidable respectively, the delivery time shall be extended by the period of hindrance plus a reasonable recovery period. The same shall apply accordingly if the above incidents occur with one of our suppliers.

VI. Transfer of risk

1. The risk shall be transferred to the purchaser even if delivery has been agreed carriage paid: 1. If the delivery does not include installation and assembly, at the time the consignment ready for operation is shipped or picked by the carrier.
2. If the delivery includes installation and assembly, after completion of these services and acceptance according to Item I.7. minor remaining work and rework shall be negligible.
3. In the event of delay in receipt or acceptance, the risk shall pass on to the Purchaser unless it is not attributable to the Purchaser or its representative. Any extra cost incurred will be charged.
4. For consignments we take out transport insurance with a coverage up to the agreed place of risk transfer.

VII. Receipt and incoming inspection

1. Goods delivered shall be received by the purchaser even if the same show minor defects.
2. Partial deliveries shall be allowed to the extent reasonable for the purchaser.
3. Upon receipt, the purchaser shall immediately note down on the consignment note any obvious shortfall quantity and transport damage.
4. Obvious defects of the goods shall be notified within seven (7) days from receipt and any hidden defect within seven (7) days from occurrence of the same. The aforementioned time limits shall be preclusive periods. If said time limits are not observed, no claim can be asserted for the relevant defects as per item VIII.

VIII. Liability as to quality (warranty)

1. Goods delivered or services provided showing a defect as to quality within the period of limitation irrespective of the time of operation the cause of which had existed at the time of risk transfer already will be repaired at our option within a reasonable period of time free of charge or replaced (supplementary performance). If supplementary performance fails, the purchaser may rescind from contract or reduce payment. The purchaser shall not be entitled to request useless expenses.
2. Defects as to quality shall be notified in writing without delay.
3. Claims for defects as to quality shall be statute-barred after 24 months counted from the date of risk transfer.
4. In the event of notices of defect, the purchaser may only withhold payment to an extent that is in a reasonable proportion to the defect occurred and with the condition precedent that a notice of defect has been issued the justification of which being beyond any doubt. If notices of defect are made unjustly, we shall be entitled to request from the purchaser the replacement of expenses incurred.
5. No claims for defects can be asserted for negligible impairment of usability, natural wear or damage caused after transfer of risk by faulty or negligent treatment, excessive use, unsuitable utilities, defective construction work, unsuitable building ground or due to external influences not specified in the contract, as well as software errors that are not reproducible. If improper changes or repairs are made by the purchaser or any third party, no claims for defects can be asserted for it and resulting consequences.
6. If the expenses incurred by supplementary performance including costs transport, travel, labor and material cost increase because the goods delivered have subsequently been taken to a location other than the purchaser's place of delivery such expenses shall be borne by the purchaser unless such transfer is complying with the contractual use.
7. The purchaser's right of recourse against us shall be limited to cases where the purchaser has not concluded an agreement with its customers exceeding the scope of the statutory provisions. Any claim by the purchaser for replacement of expenses incurred in connection with supplementary performance in relation to its customers shall be excluded to the extent such expenses increase because the supplementary performance takes place at a location other than the place of delivery originally agreed.
8. Any other or additional claims, exceeding the claims provided for in this Item VIII., of the purchaser towards us and our vicarious agents for defects as to quality shall be excluded without prejudice to limited claims for damages according to item IX.

IX. Liability of damages

1. Claims for damages by the purchaser for whatever legal reason, including infringement of duties arising in connection with the contract or tort shall be excluded. It shall not apply if liability is based on cases of intent or coarse negligence, injury to life, limb and health, assuming a guarantee for the quality of goods or services, fraudulent hiding of a defect, culpable violation of contractual duties jeopardizing the purpose of the contract (cardinal duties).
2. In cases of culpable, but not willful or coarsely negligent, breach of material contractual duties (cardinal duties), coarsely negligent breach of duties by our employees or representatives and assuming a guarantee by us that is not expressly a guarantee for the quality of the goods or services, damages shall be limited to the typical, foreseeable damage. The purchaser's claims for damages according to the present item IX.2. shall be statute-barred after two years at the latest from the date the purchaser becomes aware of the damage, or without this knowledge, from the date of the damaging event.
3. This item IX. shall also apply to the purchaser's claims for damages against our employees or representatives.

X. Place of jurisdiction and applicable law

1. Exclusive place of jurisdiction for all disputes arising out of the contractual relationship shall be Munich.
2. The contract shall be subject to German law. The UN Convention on Contracts for the International Sale of Goods shall not apply.

XI. Severability

The invalidity of one or several provisions of the contract shall not affect the validity of the remaining provisions.

XII. Deliveries abroad

1. Unless agreed otherwise deliveries abroad will be made against an irrevocable, confirmed letter of credit. Payments shall be made without any deduction by irrevocable confirmed letter of credit opened in our favor with one of our banks made out in Euro, payable in Germany.
2. Deliveries abroad are usually made ex works. As for the rest, the INCOTERMS 2020 shall apply. All expenses incurred by border crossing, such as duties, taxes, examination fees and other costs shall be borne by the purchaser.

Stephanskirchen, 01.06.2021