

1. Scope of application

- 1.1 The following general terms and conditions apply to all quotations, orders, contractual relationships, deliveries and services between the SGI GmbH (subsequently SGI) and the buyer.
- 1.2 Conflicting terms and conditions on the part of the buyer only become part of the contract if SGI expressly agrees to their validity in writing.

2. Conclusion of contract

- 2.1 Quotations are always subject to change and are non-binding, unless SGI expressly declares them to be binding in writing. In this case, SGI quotations are valid for 20 calendar days.
- 2.2 The contract is concluded by a written acceptance on the part of SGI via fax or e-mail. Deviations from the quotation have to be confirmed in the same manner; otherwise SGI will start work for the buyer without reservation.
- 2.3 Drawings, sketches, plans, figures, measurements, weights, and other performance characteristics belonging to the buyer or his vicarious agents are only binding if their binding force has been expressly agreed to in the contract or in a later written collateral agreement. The same applies to details provided by SGI in brochures, advertisements, specifications etc.; the binding force of any such information needs to be expressly agreed to in writing.
- 2.4 The obtaining or procurement of any required approvals, official or otherwise, is up to the buyer.
- 2.5 Technical changes of shape, colour and/or weight at the same kind of quality and price are reserved to the extent they are reasonable.
- 2.6 SGI may also fall back on third parties for the rendering of service.

3. Time limits and deadlines

- 3.1 Completion times and deadlines are only binding if they had been expressly agreed to in writing. An execution of work before the expiry of the agreed deadlines is reserved. If the installation or work is completed before the expiry of the agreed time limit or deadline, the buyer is obliged to accept within the agreed time limit.
- 3.2 The agreed time limit for the completion of the work starts with the receipt of all documents, plans, approvals and clearances that the buyer needs to deliver.
- 3.3 The time limit is suspended until uncertainties that the documents, plans, approvals and clearances may contain have been clarified by the parties. If the buyer does not fulfil agreed payment conditions or other contractual conditions. The suspension ceases when the contractual obligations are fulfilled.
- 3.4 If delays in the rendering of services are the result of the partial or permanent disruption of operations due to an act of God, official interventions, energy supply difficulties, strike/lockout or the unavailability of raw materials SGI does not default. This is also true for delays resulting from any other unforeseen extraordinary circumstances through which the performance by SGI is hindered, and which SGI could not avert despite showing reasonable care under the circumstances. In such cases SGI is free of the obligation to duly fulfil the contract for the duration of the reason for the impediment.
- 3.5 Liability according to article 287 of the German Civil Code is excluded during the delay.

4. Safety devices and packaging

- 4.1. SGI only provides safety devices insofar as these are legally required or they have been expressly agreed to.
- 4.2. Packaging is taken back according to the regulation on packaging. Costs for transport of packaging to the collection site are borne by the buyer.

5. Part payments and securities

- 5.1 SGI can demand part payment for finished partial services, as well as material and components delivered. For this, SGI has to present an auditable list of the services rendered.
- 5.2 SGI can ask for securities on the part of the buyer for preliminary services rendered including associated secondary claims. This does not apply if the buyer is a corporate body under public law or a special fund under public law. Securities can be demanded up to the amount of the estimated claim for remuneration. Securities can also be provided through a guarantee or another promise of payment by a credit institution or an insurance company based in Germany.

6. Prices and payment conditions

- 6.1 Prices in each case are in EURO or CHF plus the value added tax. Insofar as the prices are calculated according to the working hours spent, the certified working hours spent have to be taken as the basis. Insofar as there are present, legal regulations at the place of the service provision shall apply as regards prices.
- 6.2 If the execution of the service or parts of it is in delay by more than four months, SGI is entitled to pass on to the buyer, based on the original calculation, for example, rising labour and material costs.
- 6.3 Travel time shall be calculated as working time. Waiting periods shall be calculated as working time insofar as SGI is not responsible for them.
- 6.4 For overtime, night shifts, work on Sundays or holidays, as well as work performed under difficult conditions, extra charges based on the usual SGI prices will apply.
- 6.5 Orders to pay, cheques and bills of exchange shall not be accepted. Only the unconditional crediting of one of SGI's accounts shall be accepted as a payment.
- 6.6 The final accounts are due and payable within 30 days, while part payments according to no. 5.1. are due and payable within two weeks, both after the receipt of an auditable invoice. If the buyer is in total or partial default as regards payment, he shall pay interest at least to the extent of legal default interest according to sec. 288 of the German Civil Code. The assertion of a further claim for damages shall be reserved.
- 6.7 Several buyers shall be liable as joint debtors. They grant themselves irrevocably the authority to make or accept declarations associated with this contract. Each declaration on the part of SGI to a joint debtor or joint creditor shall also be considered to have been made to the other joint debtor or joint creditor involved.
- 6.8 Payments only absolve if they are made to SGI. Payments to representatives, mediators or other third parties shall not have the effect of absolving debt.
- 6.9 Insofar as a prompt payment discount had been particularly agreed to in writing, the granting of a prompt payment discount requires that the account of the buyer does not demonstrate any due invoice amounts and the payment was received on the part of SGI within the period agreed to in writing. Money transfer costs shall be payable by the buyer.

7. Set-off and retention

The buyer shall only be entitled to offsetting or asserting rights of retention with claims which are undisputed or are declared as legally valid. SGI is entitled to avert the exercise of right of retention through security, in particular when furnished through a guaranty of payment of a credit institute authorised in the European Union or an assurance by a German bank or savings bank.

8. Final acceptance

- 8.1 Final acceptance shall be carried out at the latest within 12 days after the notification of the readiness of acceptance, unless an earlier date had been agreed on. The final acceptance shall not be denied because of such deficiencies which do not or only to an irrelevant extent affect the functioning of the object concerned. Deficiencies noticed during the final acceptance shall be eliminated within the agreed period. The costs for final acceptance shall be paid by the buyer.
- 8.2 If the final acceptance does not take place within the agreed period, the service shall be considered as accepted with the expiry of 12 days after written notification on the part of SGI on the completion of the service or conclusion of the work, unless the buyer has already brought the object concerned into commission before the expiry of the deadline. In such a case, the final acceptance shall be considered as valid with the commissioning.
- 8.3 SGI is entitled to demand partial acceptances. This particularly applies if a commissioning is done for test purposes but the final acceptance has not been carried out yet, or in the case of the commissioning of a plant ahead of schedule.

9. Retention of title

- 9.1 All deliveries are made subject to the retention of title. All goods and products delivered by SGI shall remain our property until full payment of the purchase price has been made and all claims resulting from the business relationship including claims relating to the object of purchase as well as all future claims or claims resulting from specific conditions (e.g. from so-called acceptor's bill) have been settled in full.
- 9.2 Reserved goods are treated and processed for SGI as the manufacturer according to sec. 950 BGB (German Civil Code), without this being an obligation. The processed goods are regarded as reserved goods according to no. 9.1 of this regulation. If the buyer processes, combines or mixes the reserved goods with other goods, SGI shall acquire co-ownership of the new goods according to the proportion of the value as per invoice of the reserved goods to the value as per invoice of the other goods used. If SGI's ownership expires through combination or mixing, then already today the buyer shall grant SGI the proprietary rights, to which he is entitled to, of the new goods or objects to the extent of the value as per invoice of the reserved goods, as well as storing them for SGI free of charge. The co-ownership rights arising thereafter also are considered to be reserved goods according to no. 9.1 of this condition.
- 9.3 The buyer shall be obliged to immediately inform SGI of the seizure or other impairments by third parties.
- 9.4 Should the value of the existing securities exceed the secured claims by more than 40 per cent in total, SGI is obliged to release securities of our choice at the request of the buyer.
- 9.5 In the case of insolvency proceedings laying claim to the assets of the buyer being initiated, we shall remain a right to rescind in our favour.

10. Guarantee / withdrawal

- 10.1 The buyer has to monitor the work to a reasonable extent. In the case of the faulty execution of work, the buyer shall make a complaint to the site supervisor immediately. If the staff on site do not react to a verbal complaint, the complaint needs to be made in writing to SGI.
- 10.2 SGI is obliged to eliminate deficiencies noticed within an appropriate period of time free of charge.
- 10.3 If SGI does not meet its obligations to eliminate deficiencies noted within an appropriate period of time or if the rectification also does not occur during a second attempt, the buyer can eliminate the deficiency himself employing a method of his choice and demand compensation for the necessary expenses, reduce the remuneration or claim damages. A claim for rescission of contract shall be excluded.
- 10.4 After acceptance, the buyer has to inform SGI of obvious deficiencies in writing or by fax within 14 days of the recognition of the deficiency or the point in time at which the deficiency should have been noticed, the provisions of sec. 377 of the HGB (German Commercial Code) shall remain unaffected. The commercial buyer shall make a complaint regarding deficiencies recognisable to him within the periods of time mentioned on page 1.
- 10.5 If the buyer violates to aforementioned monitoring, complaint and notification duties he will lose his warranty claims.
- 10.6 For movable parts, mechanically or electronically, a warranty period of a year shall be agreed for buyers who are no consumers.
- 10.7 If the buyer does not carry out the technically required maintenance in the specified periods of time, then SGI is not liable for deficiencies.
- 10.8 If the buyer does not provide proof within the agreed periods of time, SGI shall be entitled to the rights of sec. 288 BGB (German Civil Code) (assertion of default interests).
- 10.9 If the buyer is in default with the acceptance of the delivery or service or if he is in default of payment, SGI shall be entitled after an appropriate deadline extension, to withdraw fully or partially from the contract and/or claim damages to the extent of 20% of the purchase price subject to the proof of concrete higher damages, in particular the costs of taking back the objects/goods delivered, unless the buyer has proof of lower damages. A deadline extension is not necessary if after the conclusion of the contract there are grounds to doubt the ability of the buyer to pay.
- 10.10 SGI shall be entitled to a right of withdrawal in the case of a significant deterioration of the financial situation of the buyer; the same applies if an application for insolvency proceedings was filed for his assets.

11. Property rights / data protection

- 11.1 A liability for the violation of property rights of third parties shall be excluded if the buyer performs changes to the parts installed and thereby violates property rights of third parties.
- 11.2 A liability for the violation of property rights also shall be excluded if SGI has produced objects according to drawings, developments and other information provided by the buyer. Insofar as a claim is made against SGI by third parties for the violation of property rights, the buyer shall be obliged to exempt SGI of all claims including possible litigation costs.
- 11.3 If a third party makes a claim for the violation of property rights against the buyer, the buyer shall notify SGI immediately and agree on further steps with SGI. Otherwise, the buyer loses his rights from the adopted guaranty for the freedom of property rights.
- 11.4 SGI reserves ownership and copyright of all estimates, drafts, drawings and self-made images or film material used as part of services rendered, as well as other documents; these can only be made accessible to third parties with SGI's consent. Drawings and other documentation related to the quotations have to be given back if requested.

11.5 The buyer agrees that the work can be photographed or the service captured as a moving image. The publication of the pictures and/or the moving images without stating the names – also for commercial purposes – shall be allowed.

12. Liability

- 12.1 Due to violation of contractual and noncontractual obligations, especially due to impossibility, delay, fault during conclusion of contract and unlawful act we shall only be liable – also for executive staff and other vicarious agents – in cases of intent and gross negligence, limited to the contractually anticipated damages.
- 12.2 This exclusion shall not apply to culpable breach of fundamental contractual obligations (cardinal obligations) if the achievement of the purpose of the contract is jeopardized, if secured properties are missing and in cases of compulsory liability according to the product liability act. The regulations regarding the burden of proof remain unaffected.
- 12.3 SGI took out transport insurance according to DTV-Güter (cargo) 2000/2008 for consequential financial loss resulting from damaged, defective or wrongly delivered goods, as well as for economic loss. The liability of SGI per means of transport or storage according to the insurance is limited to the maximum insured sum of € 1,000,000. A higher insurance can be concluded at the request of the buyer and at his cost.
- 12.4 A liability for negligent breach of duty shall be excluded insofar as it does not concern harm to life, body or health.
- 12.5 As long as SGI meets its obligations relating to rectification, especially the elimination of deficiencies or in the case of the delivery of defective goods, the buyer shall not be entitled to demand a price discount or declare withdrawal from contract as long as there is no unsuccessful subsequent performance.

13. Final provisions

- 13.1 Collateral agreements need to be made in writing in order to become effective. Oral collateral agreements need to be confirmed in writing by SGI.
- 13.2 German law is the only applicable law for this contract while excluding the United Nations Convention on Contracts for the International Sale of Goods.
- 13.3 The place of jurisdiction for any disputes arising from agreements between SGI and traders, corporate bodies under public law or special funds under public law and contractual partners headquartered abroad is Maulburg. SGI shall be entitled to sue the buyer at his general place of jurisdiction.
- 13.4 If any of the aforementioned conditions shall become fully or partially ineffective, the validity of the remaining conditions shall remain unaffected. The parties commit themselves in the case of a condition becoming ineffective to agree on a new effective rule which comes closest to the purpose of the ineffective condition.
- 13.5 Place of performance and fulfilment is Maulburg.