

# TERMS OF DELIVERY AND PAYMENT

(MARCH 2022)

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## I. Generalities

The following conditions apply to all business transactions – also those in the future – with the customer. Our sales and shipping conditions apply exclusively; we do not recognize other conditions as well as especially contrary or otherwise differing conditions on the part of the customer, unless we explicitly approve of the validity of those conditions. Our sales and shipping conditions also apply in the event that we acknowledge contrary or differing conditions on the side of the customer and unreservedly fulfil the order. All agreements reached between ourselves and the customer must be in written form in order to be valid. Our sales and shipping conditions apply exclusively towards registered businessmen/businesswomen if the contract is integrated in operating their business and towards legal entities under public law and separate estates or assets under public law.

## II. Prices/Price changes, shipping

- Our prices offered are Euro prices, and do not include value-added tax. Therefore, value-added tax must be added to the prices at the rate determined by the law applicable at the time. If not agreed specifically otherwise, our prices are ex works, excluding costs for packaging, postage, and shipping. All offered prices are subject to change.
- Our prices offered are applicable only for the dates of order upon which the offers are based. Subsequent changes or additions upon request or at the instigation of the customer, including additional costs incurred by the above, shall be charged additionally. The same applies for additional costs which might arise as the result of the above from machine down-time. In the event of changes in wages or material costs which arise either between making the offer and the placing of the order, or at any time exceeding four months following completion of contract, we reserve the right to adjust the price accordingly.
- Shipping of goods occurs at expense and risk of the customer and always plus cost of packaging following to the at any one time valid price list of Haimer or the relevant valid offer. Inasmuch as goods are shipped at cost and risk of the customer at the customer's request, our liability, as far as is legally permissible, is limited to damage caused intentionally or by gross negligence. At the customer's written request, and at his own expense, goods may be shipped insured by ourselves against theft, breakage, damage to or loss of goods in transit, fire and water damage, or against such other risks as may be expressed explicitly by the customer insofar as such are insurable.
- As far as can be reasonably expected on the part of the customer, partial shipments are permissible.

## III. Payment

- The goods are to be paid in full, no deductions, within 30 calendar days of date of invoice.
- Bills of exchange are only accepted upon special agreement and on account of performance without allowance for discount. Discounting and bill charges shall be borne by the customer and become due for payment immediately. We are not liable for the timely presentation of a bill of exchange, its due protest, due notice, or the return of an unpaid bill, unless we or our vicarious agents are guilty of damage by intention or gross negligence.
- The customer is only entitled to set-off claims if his counterclaims have become res judicata, are uncontested or recognized by ourselves. In the event of contested counterclaims, the customer has no right of retention.
- In the case of uncontested counterclaims, the customer can only claim a right of retention regarding asserted claims which are based upon the same contractual relationship.
- With respect to this order the customer is obligated to confirm the receipt of the goods in cases of the delivery from Germany to the foreign countries of Europe; the confirmation has to comply with the regulation concerning turnover tax.

## IV. Delay in payment

- In the event of delay in payment, we are entitled to charge the legal rate of interest on overdue payments, i.e. the rate of 9 % plus the basic annual interest rate current at the time in question and a lump sum of 40,00 € per overdue amount; this notwithstanding, we explicitly reserve the right to assert claims regarding additional damages. If the rate of interest is not claimed firstly this shall not exclude a later enforcement in the frames of the legal limitation; in this regard a forfeiture is excluded.
- Should we become aware of circumstances which call into question the customer's creditworthiness and therefore deem our claim for payment to be at risk, particularly if the initiation of insolvency proceedings are filed for – or if insolvency proceedings are opened against the customer's property, or if a cheque is not honoured, or the customer stops payments respectively is in extensive default of the payment with collection threat, then we are entitled to declare the residual debt due immediately and to demand immediate payment. Further, we are then entitled to demand advance payment or provisions of security, and to retain the goods until payment, advance payment, or provisions of security are made, and to discontinue processing running orders until the same. If a change of the order required by the customer affects the production time, we can claim for a new delivery time adjusted to the new circumstances. Delay of delivery or performance caused by force majeure, caused by circumstances that are beyond our control and caused by incidents which do make the delivery not only temporary difficult or impossible – this is especially strike, lock out, intervention of public administration, act of war, riots, lack of energy, destruction or damage of our production and operating units, which were beyond our control as well as stoppage of transportation means, restrictions of work, etc., even though this occurs at our supplier or their sub-supplier we are not responsible for even if we agreed on binding delivery deadlines. You allow us to prolong the delivery respectively performance time for the time of interference and an additional initial period. Additionally in such cases we have the right to adjust the price. The above mentioned circumstances do also fall beyond our control if they occur during an already existing delay. Begin and end of such interference will be communicated to the customer as soon as possible. The delivery time is observed in case the product left the premise or we communicated the readiness of shipment to the customer at the end of the delivery time.

## V. Reservation of title

- Until all claims arising from the business relationship with the customer are fulfilled, the customer is required to grant the following securities, which we will release at the customer's request and at our own free will if the securities' value consistently exceeds that of the claims by more than 10 %.
- All goods delivered to the customer remain our property until all claims arising from the business relationship with the customer are paid in full.
- The object delivered may be neither pledged nor transferred for security to a third party before it is paid in full. In the event of attachment by a third party to the object of delivery, particularly as a pledge, the customer shall refer to our ownership and inform us in writing immediately, so that we can enforce our rights of ownership. The customer is liable for costs which arise judicially or extra-judicially should the third party not be in a position to repay us such costs as arise in relation to the abovementioned.
- The customer is permitted to sell and process the goods within the context of proper business transactions, as long as he is not in arrears with fulfilling the claims which he owes. We can revoke this permission if the customer is overdue in payments or comes into a state of forfeiture of assets, particularly if insolvency proceedings are opened against his property.
- The processing or transforming of the goods by the customer shall always be done for us. In the event that the goods are joined, mixed, or blended with other items, we acquire co-ownership in proportion with the value of the goods (sum total of invoice including legal value-added tax) to the remaining items which were joined, mixed, or blended together at the time when they were joined, mixed, or blended together.

For the event that ownership of the goods be lost inasmuch as the goods become an integral or necessary part of another item, the customer hereby concedes to us now, in advance, co-ownership of the main item equal to the share which corresponds with the proportion of the value of the goods delivered (sum total of invoice including legal value-added tax) to the value of the main item at the time of said joining, mixing, or blending.

- In the event that the goods are sold, the customer now and hereby, for the security of our claims arising from the whole of the business relationship, assigns all claims which arise for the customer from resale or from other legal grounds (insurance, tortious act, or the like) against the buyer or third parties, independently of whether the goods, of which we have (partial) ownership, are resold with or without processing. Upon our request, which may be made at any time, the customer must inform us regarding the state of the claim, and allow us or anyone authorized by us to inspect those business records relevant to the above. We grant the customer permission, subject to revocation, to collect the sums due for the claims we assigned, to his own account and in his own name. This direct debit authorization can only be revoked if the customer does not meet his financial obligations in a proper manner. Our authority to collect ourselves the sums due remains unaffected by the above. However, we bind ourselves not to collect the sums due as long as the customer meets his financial obligations with the collected sales revenue, is not overdue for payments, and especially if no initiation for insolvency proceedings has been filed or cessation of payments has been noted. If this is the case, however, we can require that the customer makes known to us immediately the claims assigned and their debtors, including all information required for collection purposes, providing us with all records necessary therefore, and informing the debtors (third parties) of the assignment of claims. We as well have the right of disclosure of assignments against debtors. The customer, however, is not entitled to assign this claim to third parties.
- Contrary to position 3, the customer is not entitled to sell the goods, even within the context of proper, standard business transactions, if the customer excludes assigning claims based on the sale of the goods to us.
- In the event of actions contrary to the terms of contract, particularly in the case of delay of payment, we are entitled to rescission of the contract. Following rescission, we can demand return of the goods from the customer.

## VI. Delivery time

- Delivery dates and delivery periods are only binding if they are confirmed by us explicitly in writing.
- The confirmed delivery dates and delivery periods start when the following cumulative conditions are met: the clarification of all technical questions; the fulfilment of the customer's contractual obligations, particularly that of furnishing records, authorizations, and release statements. When alterations ordered by the customer have an influence upon the duration of production time, we are entitled to insist upon agreeing to a new delivery time which is adjusted to the changed circumstances. We are not liable for delays in delivery and performance, even if binding dates and times have been agreed upon, in case of acts of God, in case of circumstances which we are not responsible for, and in the event of incidents which not only temporarily substantially impede delivery or make it impossible – this includes in particular strike, lock-out, sovereign intervention, acts of war, riots, electrical shortage, destruction or damage to our production or works fixtures for which we are not liable, as well as transportation failure, work limitations etc., also when the above affect our suppliers or their sub-suppliers. Such circumstances entitle us to postpone delivery or performance for the duration of the impediment plus a reasonable starting-up time. Furthermore, such a case entitles us, for our part, to adjust the price accordingly. We are also not liable for the circumstances mentioned if they arise during an already existing delay. In important cases, we will inform the customer as soon as possible regarding the beginning and end of such hindrances. The delivery deadline is met if by date of its expiry the goods have left the works or the customer has received notice of readiness of dispatch.

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## VII. Sample

Samples of all kinds, whether designs, models, etc., are prepared especially for the customer according to his instructions and only by prior written commission for the same. In every case, these samples will be billed separately to the customer.

## VIII. Storage of documents and items for further use

The storage of the customer's papers and other objects such as may serve some future purpose is undertaken only upon prior written agreement and in exchange for special compensation beyond the date of delivery of the goods ordered. The abovementioned goods a/o objects, if they are placed at our disposal by the customer, shall be handled with care up to the delivery date. In this case as well, storage beyond the delivery date is only granted upon prior written agreement and in return for special compensation. Should the abovementioned documents a/o objects be insured against water, fire, theft, or other dangers, the customer must provide the necessary insurance himself. Further, within legally permissible limits, we are exempt from liability for the loss of, damage to, or destruction of these documents a/o objects.

## IX. Company print

On objects of our manufacture, we can, with the customer's permission, make reference to our company in an appropriate manner. The customer can only withhold his permission in the event that he has a justifiable interest in so doing.

## X. Time limit for making a claim

Upon delivery, the customer must inspect the goods without delay, and in the event that the goods have obvious defects, these must be reported to us within a period of two weeks following receipt of the goods, in the case of shipping from the point of taking delivery from the shipper or carrier; otherwise, the customer's claims regarding defects are excluded. Claims for non-obvious defects can only be asserted within a period of one year upon receipt of the goods, in the case of shipping upon taking delivery from the shipper or carrier.

## XI. Warranty

The warranty period is 1 year after passing of the risk. In the event of defects, we are entitled to choose between rectifying the defects or delivering a substitute, up to the amount of the contractual value, unless we or our vicarious agents are guilty of damage by intent or gross negligence, or if we have given a guarantee for the condition of the goods. If two attempts at rectifying the defects or at delivering a substitute fail, or if rectification or substitution is not possible, not to be reasonably expected for the customer, or finally refused by ourselves, then the customer can demand a reasonable reduction in price or withdraw from the contract. For substantial third-party products, our liability is limited initially to the assignment of liability claims to which we are entitled against the supplier of the third-party products. Any liability ensuing on our part in this instance can only be secondary and requires prior recourse to the courts for the supplier of the third-party product. We will reimburse such costs as may arise if they cannot be collected from the supplier and if they were necessary for prosecution. Guarantee and damage claims which exceed the above are excluded, so far as is permissible by law.

## XII. Compensation for Damages

The following liability limits apply for damage claims, within the parameters of the law: For all damages arising from culpable breach of contract, we are liable if we ourselves or our vicarious agents are at fault, but only in case of damage by intention or gross negligence. Within the limits of the law, this also applies in cases of default or when performance becomes impossible. Insofar as we are considered liable for damages due to breach of contract which results from a slight degree of negligence on our part or on the part of our vicarious agents, liability for indirect damages is excluded. When delay damages arise due to delay in our performance, we are only liable to the extent of contractual value (our own work excluding advance performance and material) if we or our vicarious agents are only at fault for slight negligence. This limitation of liability also applies for damages in connection with services of Haimer for goods of customers (e.g. Balancing, Cool Jet, Cool-Flash, Duo-Lock or Safe-Lock), whereupon the liability is limited to the extent of the contractual value of the service by Haimer.

## XIII. Taking Delivery; Passing of Risk

The customer must take delivery of the goods at the completion time agreed upon if the goods are ready for acceptance. If the customer is in default of acceptance, regardless of article III.1 the price agreed upon is due immediately. If the customer does not meet this obligation, we are entitled to withdraw from the contract and to make other use of the goods, whereby the sales revenues gained in this case are credited to the price agreed upon. We must be compensated for profit lost. If the seller is in default of acceptance or fails to perform other participation duties, then we are entitled to demand compensation for damages thus caused, including any additional expenditures which may arise. We reserve the right to further claims on our behalf. In case of default or delay in acceptance by the buyer, or other failure to perform participation duties on the part of the buyer, then the risk of accidental loss of the goods or of accidental worsening of the state of the goods passes over to the buyer from the point in which he entered into the state of default in acceptance or debtor's delay.

## XIV. Ownership, Copyright, Duty of Secrecy

Those articles of the trade which we use to manufacture the product of the contract, in particular special means of operation (tools, devices) remain our property and shall not be delivered. We reserve for ourselves the ownership and copyrights of estimates of cost, drawings, and other documents. They may only then be made available to unauthorized third parties if we give our prior explicit written permission. The customer is solely liable if, in the process of executing orders, any rights, particularly copyrights, trademarks, or patents of third parties are infringed upon. The customer indemnifies us against claims of third parties in the event of such violations of rights. All ideas and documents drawn up by ourselves, in particular samples, sketches, designs, technical information, models, technical drawings etc. are under the protection of our intellectual property, have to be treated confidential and may not be used or applied in any manner without our prior written consent.

## XV. Export

The customer (Buyer) confirms if he resales Haimer products that he complies with all provisions and regulations of German and international export controls as well as with the US re-export regulations. The customer (Buyer) declares with his order his compliance with this kind of laws and regulations. Additionally the customer (Buyer) confirms with his order that the products will remain in the delivery country respectively will not be delivery out of the European Union.

## XVI. Sustainability Guidelines

1. Our company is committed to sustainability guidelines and expects a similar commitment and application from all business partners. Our sustainability guidelines can be accessed via the following link: [https://www.haimer.de/fileadmin/assets/unternehmen/Soziales\\_Engagement/22\\_03\\_CodeOfConduct\\_210x297\\_EN.pdf](https://www.haimer.de/fileadmin/assets/unternehmen/Soziales_Engagement/22_03_CodeOfConduct_210x297_EN.pdf)
2. We reserve the right to review this at our business partners after consultation as part of quality audits.

## XVII. Applicability of German Law

The law of the Federal Republic of Germany is exclusively applicable. Application of the UN Convention on Contracts for the International Sale of Goods, dated January 1, 1991, is precluded.

## XVIII. Place of Performance, Place of Jurisdiction, and Validity

The place of performance for all claims arising from this contractual relationship is place of business of the seller. The place of business of the seller is also the place of jurisdiction for all legal disputes arising from this business connection. We are, however, entitled to bring grievances before the legal place of jurisdiction as well. The partial or complete invalidity of any provision in these terms of sales and delivery, or of any provision within the context of other agreements, whether now or in the future, shall not affect the validity of any part of the remaining provisions or agreements. The invalid provision is then replaced by that lawfully permissible provision which is closest to the meaning of the invalid provision.