

Terms of Sale and Delivery

1. General

- 1.1 These terms shall form the basis for all supplies and services of SVQ GmbH, WEMA Vogtland GmbH, Sateg GmbH or GRG America LLC (each hereinafter referred to as the "Supplier") along with any separate contractual agreements. If the contents of the offer are in contradiction with these terms of sale and delivery, then the contents of the offer shall apply. If the Buyer's general terms and conditions deviate from the Supplier's terms, these are hereby objected to and shall not become part of the contract. An agreement shall be entered into by written order confirmation by the Supplier unless agreed otherwise between the Parties.
- 1.2 The Supplier shall retain the right of ownership and copyrights to cost estimates, drawings and similar information of a physical or non-physical type, including information provided in electronic form. They may not be made available to third parties. The Supplier undertakes not to make information and documents identified by the Buyer as confidential available to third parties without the Buyer's express authorization.

2. Prices and Payment

- 2.1 Unless agreed otherwise, the prices shall be ex works (EXW according to Incoterms 2020) including loading in the factory of the Supplier, but excluding packaging, unloading and transport insurance. Value-added tax – if it has to be paid – shall be charged in addition in accordance with the statutory provisions.
- 2.2 Payment terms:
- 30% down-payment after entry into contract
 - 60% upon notice of readiness for dispatch
 - 10% upon final acceptance, however not later than 3 months after delivery.
- All payments 14 days net.
A different method of payment will alter the pricing. Insignificant faults that do not have an adverse effect on the functioning shall not authorize you to reduce the amount to be paid. Retention of payments or the balancing of payments as a result of possible counterclaims by the Buyer which have been contested by us are not admissible. In particular, delivering the operating manual/technical documentation later on shall not confer an entitlement to reduce or withhold the payment. The Supplier is entitled to invoice for partial deliveries through partial invoices.

3. Delivery Period and Delay in Delivery

- 3.1 The delivery period results from the agreements of the contractual parties. In order for the Supplier to comply with the agreed delivery period, all commercial and technical questions must have been clarified between the contractual parties and the Buyer must have met all obligations such as obtaining the required official certificates or permits or making a down payment. If this is not the case the delivery period shall be extended accordingly. This shall not apply if the Supplier is responsible for the delay.
- 3.2 Compliance with the delivery period is subject to the Supplier being properly supplied in due time, insofar as the Supplier has entered into corresponding covering transactions in a timely manner. The delivery period is correspondingly prolonged if the Supplier despite timely coverage transactions is not supplied itself, is not supplied correctly itself, or is not supplied in a timely manner itself, and other coverage purchases are unreasonable or have not worked, or if it is not possible for the

Supplier or its own supplier(s) to make timely delivery for reasons which arise after entry into contract or were not known to the Supplier or which are not within its sphere of influence, such as strike, lock-out, non-culpable business interruptions, including at suppliers of the Supplier (e.g. tool breakage), supplier blockades, operational shutdowns, refusal of import or export licence, other sovereign interventions, as well as circumstances going beyond this which are to be regarded as force majeure. Thus, the Supplier does not bear the procurement risk. The Supplier shall announce any foreseeable delays as soon as possible.

- 3.3 If contractual obligations cannot be fulfilled on time or otherwise in accordance with the contract due to the effects of force majeure, e.g. war or riots, strike or lockout, natural disasters or fire, epidemics or quarantine, government measures or similar circumstances, the respective party shall be released from compliance with these obligations to the extent of the effect or shall be entitled to postpone the performance of its services for the duration of the impediment and a reasonable start-up period. The parties shall inform each other immediately about cases of force majeure in order to coordinate further action.
- 3.4 The delivery period shall be considered observed if the delivery item has left the Supplier's facilities by the time it expires or if its readiness for shipment has been announced. If an acceptance is scheduled, the date of acceptance shall be decisive or, alternatively, the announcement that the delivery item is ready to be accepted - with the exception of a justified refusal of acceptance.
- 3.5 If shipping or acceptance of the delivery item is delayed for reasons the Buyer is responsible for, the Buyer shall pay the costs incurred due to the delay beginning one month after notification of readiness for shipment or acceptance.
- 3.6 The Buyer may withdraw from the contract without notice if the Supplier is definitely unable to perform its obligations under the contract before the transfer of risk.
- 3.7 If the Supplier is in default and if this results in damage to the Buyer, then the Buyer's claims are determined pursuant to law, but applying the limitations of liability pursuant to section 9 of these Terms of Sale and Delivery. Flat-rate compensation or penalties shall require a separate agreement.

4. Foundation

- 4.1 Installation of the machine is realised on a foundation.
- 4.2 Technical planning, construction and inspection (acceptance) of such foundation is not part of the Supplier's scope of supplies and services. The Supplier shall only provide details as to the top surface of the foundation and not, however, details as to the outer dimensions (length, width, depth). The Supplier recommends that these dimensions and technical details be determined by a qualified company for foundations of machine tools, taking into account the local floor conditions and the Supplier's data (weight, loads, cutting forces, admissible deformation, etc.). Professional planning and proper execution of the foundation are the sole responsibility of the Buyer.

5. Installation and Commissioning

- 5.1 The conditions of assembly customary in machine tool building shall apply to installation and commissioning work (ECE-conditions).
- 5.2 In addition the Buyer shall be responsible for providing technical support at its own expense, in particular:

- Provision of the required assistant workers (especially metalworkers, electricians, other assistant workers) for the necessary time and in adequate numbers.
- Execution of all earthwork, construction and foundation work including the supply of the necessary building materials.
- Provision of the necessary appliances and tools (e. g. lifting gear including operating personnel, material required for hanging up) and the necessary consumables (scaffolding wood, wedges, supports, cement, plaster and sealing material, lubricants, etc.).
- Provision of the required power supplies (electricity, compressed air, water including the necessary connections).
- Provision of dry and lockable rooms for storing the tools of the Supplier's assembly personnel.
- Transport of the assembly parts to the place of installation, protection of the place of installation and of the material against any kind of harmful influence and cleaning of the place of installation.
- Provision of all auxiliary means and equipment on time in order to guarantee that assembly can be realised without interruptions. On-time provision of personnel for execution and confirmation of acceptance.

5.3 This technical support of the Buyer shall ensure that assembly can start immediately after the assembly personnel has arrived on site and can be carried out without delay until final acceptance.

If special plans or instructions are required from the Supplier, these shall be provided by the Supplier in good time.

5.4 If the start and/or execution of the work is delayed due to the fact that preconditions have not been fulfilled, then additional expenses shall be charged separately.

5.5 The Supplier does not take out an assembly insurance (object insurance for damages to the ordered machine or machinery). Insurance coverage shall only include damage caused in the course of assembly for which the Supplier is responsible, excluding the delivery item itself and within the framework of the Supplier's third-party liability insurance (see section 9 "Liability and Compensation").

6. Passage of Risk and Official Acceptance

6.1 The risk shall pass to the Buyer when the delivery item has left the factory even if partial deliveries are made or if the Supplier has assumed other services such as shipping expenditures or delivery and installation. If acceptance is to take place, the date of acceptance shall be decisive for the passage of risk. Acceptance shall be carried out without delay at the date of official acceptance or alternatively after the Supplier's notification of readiness for official acceptance. The Buyer may not refuse official acceptance if there is a non-essential defect.

6.2 If shipment or official acceptance is delayed or does not occur due to circumstances not attributable to the Supplier, the risk shall pass to the Buyer from the day of notification of readiness for shipment or official acceptance. The Supplier undertakes to take out the insurance policies requested by the Buyer, at the Buyer's expense.

6.3 Partial deliveries shall be permitted to the extent that they are reasonable for the Buyer.

7. Acceptance

7.1 Provisional acceptance

Provisional acceptance is carried out at the Supplier's plant before delivery of the machine.

The following procedure is regarded as agreed if not stipulated otherwise in the quotation:

- Check of the external dimensions
- 2 hours' idle run test with little disturbances
- Machining of customer's components according to the

quotation

- Machine capability study
- Preparation of an acceptance report

7.2 Final acceptance

Final acceptance is carried out at the Buyer's plant immediately after completion of installation and commissioning work.

The following procedure is regarded as agreed if not stipulated otherwise in the quotation:

- 2 hours' idle run test with little disturbances
- Machining of customer's components according to the quotation
- Machine capability study
- Preparation of an acceptance report

The Buyer shall fulfil the following conditions in order to guarantee perfect machine operation and machining results:

- Safe foundation resp. sufficiently robust foundation
- Any vibrations must be excluded
- Provision of sufficient measuring capacity without delay according to prior agreement

8. Warranty

The warranty period starts with the report of final acceptance in the Buyer's plant.

8.1 In line with legal regulations, the Supplier warrants that the equipment to be delivered corresponds to the current technical state of the art and that it fulfills the corresponding equipment standards valid at the time of delivery.

8.2 In line with legal regulations, the Supplier warrants the high quality of the material used for the production of the equipment, perfect workmanship and a high quality of technical equipment and assembly.

8.3 In line with legal regulations, the Supplier warrants that the equipment to be delivered fully corresponds to the technical specifications and that the overall supplies and services meet the agreed conditions of contract.

8.4 The warranty period of the production line is 12 months from the date of handing over the production line ready for operation, however no longer than 18 months from date of notification of readiness for acceptance following commissioning, unless the Product Liability Act or other legislation, particularly § 436 paragraph 1, number 2 of the German Civil Code (BGB) (buildings and items for buildings), § 445b of the BGB (recourse claims in the supply chain) or § 634a paragraph 1, number 2 of the BGB (construction defects) prescribe longer periods. The time-barring of claims due to liability for damage and loss arising out of death, personal injury or damage to health which is due to a negligent or intentional breach of obligation by the Supplier or a legal representative or vicarious agent of the Supplier, and for other damage and loss which is due to an intentional or grossly negligent breach of obligation by the Supplier or a legal representative or vicarious agent of the Supplier, shall be determined in accordance with the statutory provisions.

8.5 There is no warranty for parts which are subject to normal physical wear and are classified as wear parts in the documentation. Also excluded from warranty are parts and elements which have to be replaced due to faulty operation. Within the warranty period, any extensions, relocations, replacements and other modifications (including software) of the machines and lines may only be carried out by or with the agreement of the Supplier. In the event of modifications carried out by third parties without the Supplier's written approval the Supplier may refuse the warranty with immediate effect.

9. Liability and Compensation

- 9.1 Insofar as nothing to the contrary is stipulated in sections 9.3 and 9.4 hereof, the Buyer's claims due to material defects or defects in title- regardless of the legal reason – are hereby excluded. The Supplier shall not be liable for damage which has not arisen to the item supplied itself. In particular, the Supplier shall not be liable for lost profit or other pecuniary loss suffered by the Buyer.
- 9.2 Insofar as nothing to the contrary is stipulated in sections 9.3 and 9.4 hereof, the Buyer's claims due to breach of an obligation arising out of the contractual relationship are hereby excluded.
- 9.3 The foregoing liability exemptions (sections 9.1 and 9.2 hereof) shall not apply insofar as the Supplier has mandatory statutory liability, for example (1) pursuant to the Product Liability Act, (2) due to loss of life, personal injury or damage to health which is due to a negligent or intentional breach of obligation by the Supplier or a legal representative or a vicarious agent of the Supplier, (3) insofar as the cause of damage or loss is due to intentional behaviour or gross negligence by the Supplier or a legal representative or a vicarious agent of the Supplier, (4) if the Buyer asserts rights due to a defect under a guarantee of quality or the specific duration of a quality, (5) the Supplier negligently breaches an essential contractual obligation which is what makes performance of the contract possible at all and on whose compliance the Buyer may usually rely (cardinal obligation), (6) recourse claims in the supply chain pursuant to § 445a of the BGB are concerned.
- 9.4 Insofar as the Supplier breaches a cardinal obligation, the compensation obligation is limited to the contract-typical, foreseeable damage and loss, insofar as no intentional behaviour or gross negligence is present or the Supplier is liable due to loss of life, personal injury or damage to health.

10. Prolonged Retention of Title

- 10.1 The delivery item shall remain the property of the Supplier until each and every claim the Supplier has against the Buyer on account of the business relationship has been fulfilled.
- 10.2 As long as the retention of title is effective, the Buyer may neither pledge the delivery item nor assign it as security. The delivery item may only be resold by resellers if this occurs in the course of ordinary business dealings and only on the condition that the Buyer receives payment of the equivalent value of the delivery item. Moreover, the Buyer shall agree with the Recipient that title shall only pass to the Recipient once the latter has fulfilled this payment obligation.
- 10.3 The Buyer shall be allowed to process the delivery item or to mix or combine it with other objects. The processing, mixing or combination (hereinafter jointly referred to as "processing") and with regard to the delivery item as "processed") shall take place on behalf of the Supplier; the resulting object shall be referred to as "new goods". The Buyer shall store the new goods for the Supplier with the diligence of a prudent businessman. If processing is carried out with items not belonging to the Supplier, the Supplier shall acquire joint title to the new goods based on the proportion of the value of the processed, mixed or combined delivery item to the value of the other processed goods at the time of processing. If the Buyer acquires sole ownership of the new goods, the Supplier and the Buyer shall agree that the Buyer shall grant the Supplier co-ownership of the new goods in the ratio of the value of the processed delivery item to the value of the other processed goods at the time of processing.

- 10.4 In the event of the sale of the delivery item or the new goods, the Buyer shall assign all claims against the customer arising from the resale, including all subsidiary rights, by way of security, to the Supplier, without further specific declarations to this effect being required. The assignment shall include any and all balance claims. The assignment, however, shall only apply to the amount corresponding to the price of the delivery item invoiced by the Supplier. The share of the claim assigned to the Supplier shall have priority of satisfaction.
- 10.5 If the Buyer combines the delivery item or the new goods with real estate or movable property, the Buyer shall also assign its claim, which is due to it as payment for the combination, including all subsidiary rights, by way of security, to the Supplier, in the ratio of the value of the delivery item or the new goods to the value of the other combined goods at the time of combination, without further specific declarations to this effect being required.
- 10.6 The Buyer shall be entitled to collect the claims assigned pursuant to these provisions (retention of title) until such authorization is revoked. The Buyer shall forward all payments made in respect of the assigned claims to the Supplier without delay up to the amount of the secured claim. Given just and legitimate cause, in particular in the event of default of payment, cessation of payment, institution of insolvency proceedings, bill of exchange protest or justified evidence of excessive indebtedness or impending inability to pay on the part of the Buyer, the Supplier shall be entitled to revoke the Buyer's authorization to collect. Moreover, the Supplier shall be entitled, after prior announcement and subject to compliance with a reasonable notice period, to disclose the assignment of title, to exploit the assigned claims, and to request disclosure of the assignment of title by the Buyer to the customer.
- 10.7 If the Supplier is able to prove a legitimate interest, the Buyer shall provide the Supplier with any information required by the Supplier to assert its rights against the customer, and to supply the required documents.
- 10.8 The Buyer shall immediately inform the Supplier of any pledges, confiscations or other disposals or interventions by third parties.
- 10.9 If the realisable value of all the security interests of the Supplier exceeds the value of all secured claims by more than 10%, the Supplier shall release a corresponding part of the security interests if so requested by the Buyer; the Supplier shall have the right to choose between various security interests for release.
- 10.10 Should the Buyer fail to fulfill the contractual obligations, in particular if the Buyer is in default of payment, the Supplier shall be entitled to demand the return of the delivery item or the new goods without giving prior notice and to rescind the contract; the Buyer shall be obliged to surrender such goods.

11. Applicable Law and Place of Jurisdiction

- 11.1 The substantive law of the Federal Republic of Germany shall apply unless otherwise agreed and as far as permissible under the law of the country in which the work is carried out. The provisions of the Vienna UN Convention (CISG) shall not apply.
- 11.2 All disputes arising from or in connection with contracts subject to these Terms and Conditions shall be settled by the state courts having jurisdiction for the respective headquarters of the Supplier.

12. Validity of Offer

- 12.1 Offers by the Supplier are valid for 60 days from the date of issue of the offer.
- 12.2 The Supplier reserves the right to carry out design modifications which are useful for technical progress and do not adversely influence the function of the line.
- 12.3 If the contents of the offer are in contradiction with these terms of sale and delivery, then the contents of the offer shall apply.