

# General Terms and Conditions of Sale and Delivery of ILA R&D GmbH

## 1. General

The following terms and conditions shall apply exclusively for all our quotations and deliveries, and shall form an essential component of the contract of sale. Agreements deviating from these or additional agreements, in particular the terms and conditions of purchase of the buyer, shall only be binding for us if we have confirmed them in writing. Our silence shall not be regarded as agreement. Even by tacitly accepting our general terms and conditions of sale and delivery, the buyer shall recognise our terms and conditions as binding, whilst renouncing his own.

## 2. Order acceptance

Orders shall only be binding for us in the context of these terms and conditions if they have been confirmed by us in writing. Should the execution of the orders become impossible for any reason, e.g. because of an official directive or due to force majeure or in consequence of the non-occurrence of deliveries to our plants for a particular reason, we shall be released from the obligation to deliver even for confirmed orders. Claims for compensation by our contractual partner shall be excluded in such cases.

## 3. Special agreements

All special agreements, especially verbal agreements or agreements on the telephone and subsidiary agreements, shall only be legally binding if they are confirmed by us in writing. If the contractual partner has not specified a type of delivery upon conclusion of the contract, this shall be at the discretion of ILA R&D GmbH. The risk shall be transferred to the contractual partner, as soon as the consignment has been delivered to the person performing the transportation, or has left the warehouse of ILA R&D GmbH to be shipped. Here, the proper and punctual handover of the consignment to our own freight people shall be sufficient.

With the transfer of risk, ILA R&D GmbH shall assume no liability for any delays any more. The contractual partner must check the consignment for transport damages immediately upon its arrival, and inform ILA R&D GmbH of any losses or damages through a facts report from the forwarding agent or a written assurance which must be signed by two witnesses and by the contractual partner. ILA R&D GmbH must also be informed immediately of obvious defects, within a week of delivery at the latest. The defective delivery items must be kept in the condition in which they were at the time at which the defect was identified for inspection by ILA R&D GmbH. A violation against the above obligations shall rule out any warranty claims towards ILA R&D GmbH.

If dispatch is delayed at the request of the customer or if he does not accept the goods, the risk shall be transferred to the customer with a notification of the readiness for dispatch. A repeated notification of readiness for dispatch shall not be necessary if the contractual partner has refused to accept the goods delivered by cash on delivery or otherwise. If the contractual partner is an entrepreneur, he shall not be permitted to resell goods delivered by ILA R&D GmbH directly or indirectly in countries outside the EU without our agreement in writing.

The General Terms and Conditions of ILA R&D GmbH shall apply exclusively. Insofar as the contractual partner refers to the international commercial terms (incoterms) in his international business, these shall, subject to the express confirmation of ILA R&D GmbH, only become an element of the contract if they do not contradict risk regulations. In reference to incoterms too, risk shall be transferred to the contractual partner as soon as the consignment has been properly handed over to the first freight carrier by ILA R&D GmbH. This shall also apply to the subsequent ship freight

## 4. Prices

The prices are calculated in euros plus VAT, provided that no other currency has been agreed.

## 5. Delivery times

The delivery times quoted are subject to change until acceptance of the order by us. If binding delivery dates are not kept through our fault, the buyer is obliged to set an appropriate grace period for us. If no delivery takes place within this grace period, the buyer is entitled to withdraw from the contract to the exclusion of all other claims. The buyer is obliged to accept subsequent deliveries.

## 6. Transport insurance

A transport insurance policy shall be concluded by us and is included in the sales price in the case of delivery within the EU.

## 7. Terms and conditions of payment

Our claims shall be payable net, without a deduction, 14 days after the invoice is issued, at the latest, if nothing has been agreed to the contrary. Cheques and accepted bills shall only be taken in lieu of payment, the latter only on the basis of particular agreements. Costs for bills of exchange and discount costs according to the rates of private banks shall be borne by the buyer. Payments shall be regarded as having been paid on the day on which the seller can dispose of the invoice amount without any loss. The assertion of rights of retention is excluded, offsetting against counterclaims from the buyer is also excluded, unless it is against claims of the buyer that are recognised by us or legally established.

In the case of a default of payment, default interest of 12% must be paid, without prejudice to the right to assert any further claims.

We are entitled to make further deliveries dependent on the punctual receipt of the payments. If we become aware of circumstances, after the conclusion of the contract, which reduce the creditworthiness of the buyer, we are entitled to withdraw from the contract, or to demand immediate payment or the surrender of the delivered goods. If the returned goods have already been used by the buyer and have, therefore, reduced in value, we are entitled to charge an appropriate amount for the reduction in value. "When the Letter of Credit (L C) customary in foreign trade is used, the payment undertaking of the bank of the contractual partner of ILA R&D GmbH in the case of a delivery of goods shall be due when the proper handover of the goods to the contractual partner is demonstrated by the standard documents (packing list). The condition of the payment undertaking shall also be considered to have occurred if the delivery of goods is connected to a service of ILA R&D GmbH. The end of the service shall have no influence on the entry into the payment undertaking by the bank of the contractual partner. In this respect, the value of the service shall be calculated separately.

## 8. Warranty

ILA R&D GmbH guarantees that the goods sold are free from material and manufacturing defects at the time of the transfer of risk. Warranty claims must be asserted within one year, unless otherwise agreed, after delivery of the goods. The obligation of ILA R&D GmbH to provide a warranty is - at its discretion - restricted to the repair or replacement of defective goods. If a removal of defects fails, the buyer is entitled to withdraw from the contract to the exclusion of all other claims, or to reduce the purchase price. The buyer is obliged to examine the delivered goods immediately after their arrival on his premises. If a defect which can be traced back to a material or manufacturing defect is revealed here, he must report this immediately, and return the goods to ILA R&D GmbH at his own expense. Any warranty is excluded if the buyer or a third party undertakes changes of any kind or repairs to the goods or handles the goods inappropriately.

Fuses, batteries and other consumables are excluded from the warranty. The buyer shall assume no warranty for finished products which are produced by another manufacturer. Only the warranty of the original manufacturer shall apply.

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Provided that no express agreement is available in a separate letter composed by the seller, the seller shall assume no warranty and reject any liability for products that are incorporated by the buyer into other products or systems.

## 9. Liability for damages

We are liable for the damages of the buyer only insofar as we or our vicarious agents are guilty of wilful intent or gross negligence; any further liability is excluded. This shall apply for all claims for compensation, regardless of their legal basis. The limitation of liability shall only apply for damages caused by the absence of warranted characteristics, whereby, however, compensation shall only be provided for consequential damages arising from defects to the extent that the warranted characteristics were to protect the buyer against such consequential damages. We shall only be liable for other consequential damages arising from defects in the manner described above.

## 10. Retention of title

All the goods delivered by us shall remain our property until the purchase price, including all the additional costs, has been paid in full. During the period of the retention of title, the buyer is not entitled to pledge the delivered goods or to assign them as a security. Should the buyer become owner of the goods through combination with a moveable item, through processing or transformation, he shall transfer ownership of the item that has been created to us now, unless otherwise agreed, as a security for the claims mentioned, with the agreement, at the same time, that the buyer shall keep this item safe for us, free of charge. The buyer is entitled to sell the goods and/or the product manufactured from them in the ordinary course of business. The claims against third parties arising from the resale shall be assigned to us at the original invoice amounts as a precaution, without this requiring a particular agreement in the individual case. The buyer is authorised to collect this payment claim on our behalf- as long as he complies with his own payment obligations towards us. We are, however, entitled to inform the third parties, who must be named on demand, of the transfer of the claim and to give them instructions. We are entitled, in the case of a default of payment, to demand the delivered goods on the basis of the retention of title and otherwise to dispose of them. The execution of this right shall not be considered to be a withdrawal from the contract in case of doubt. After the payment has been made, the buyer will be supplied with an appropriate new delivery deadline. If the value of the securities exceeds the outstanding claims by more than 20%, we will release the part of the securities in excess of this on the demand of the buyer.

## 11. Export control regulations

Certain goods are subject to international export control regulations. Re-export out of the Federal Republic of Germany or out of another country is only possible with the agreement of the Federal Office of

Economics and Export Control in Frankfurt. The buyer is responsible for adherence to the relevant provisions right up to the end consumer.

## 12. Place of Fulfilment and Place of Jurisdiction

The law of the Federal Republic of Germany shall apply to these terms and conditions and all the legal relationships of ILA R&D GmbH. The German language shall be the sole contractual language and language of the negotiations. In the case of problems of interpretation, only German principles of interpretation shall be used. The place of fulfilment for both parties shall be Jülich. The place of jurisdiction for all disputes arising directly or indirectly out of the contractual relationship shall be Jülich. The right shall be retained by ILA R&D GmbH alone also to take action against its contractual partner in any other place of jurisdiction which can justifiably be used for this.

## 13. Partial inefficacy

Should one or more of the provisions of these General Terms and Conditions of Sale and Delivery be ineffective, its place shall be taken by the effective provision that corresponds to or comes closest to the ineffective provision in its economic result.

## 14. Copyright and right of use

Every order placed to ILA R&D GmbH shall be deemed a copyright contract. A contract that is targeted towards granting rights of use to works and services shall also be deemed a copyright contract. All drafts, final drawings and concepts shall be subject to the Copyright Act. The provisions of the Copyright Act shall apply between the parties even if the necessary conditions for protection are not present in the individual case. Thus, ILA R&D GmbH is entitled to assert claims to copyright arising from §§ 97 ff of the Copyright Act (UrhG).

The drafts, final drawings and concepts may not be altered without the express approval of ILA R&D GmbH either in the original or in the copy. Any reproduction - even of parts - is impermissible. A violation of this provision entitles ILA R&D GmbH to demand a contractual penalty of at least twice the agreed remuneration.

ILA R&D GmbH shall transfer the rights of use necessary for the purpose in question to the client. Provided that nothing has been agreed to the contrary, only the simple right of use shall be transferred in each case. Passing on the rights of use to third parties requires written agreement. The rights of use shall be transferred only after the remuneration has been paid in full.

ILA R&D GmbH has the right to be named as creator on the copies. A violation of the right to being named entitles ILA R&D GmbH to compensation. If no evidence of greater damage is provided, compensation for damages amounts to 100% of the agreed or customary compensation.

Suggestions or other cooperation of the contractual partner or his employees have no influence on the amount of the remuneration. They do not constitute grounds for joint copyright.