

General Terms and Conditions of SLM Solutions Group AG

I. Conclusion of Contract

- (a) All supplies, services and offers between us and the customer shall be provided solely subject to these General Terms and Conditions. When concluding the first contract subject to the following General Terms and Conditions the customer acknowledges that they apply to the entire term of the business relationship between the parties. We do not acknowledge contrary conditions of the customer or such which diverge from our General Terms and Conditions unless we expressly agreed to their applying. Our General Terms and Conditions shall also apply if we supply our customer without reservation knowing that the customer has contrary terms and conditions or such which diverge from ours. Our General Terms and Conditions also apply to all future transactions with the customer.
- (b) Amendments or additions to the agreements are not valid unless we have confirmed them in writing.
- (c) Our offers are non-binding and without obligation. Acceptance declarations and all orders require written confirmation from us to be valid.
- (d) Drawings, illustrations, measurements, weights and other performance data are only binding if this is explicitly agreed in writing.

II. Delivery Deadlines

- (a) The dates and deadlines given by us are non-binding, unless otherwise expressly agreed in writing. With regard to agreed delivery dates, we are only liable to the extent that due delivery is reasonable.
- (b) We are entitled to render part performance, if (a) part performance is suitable for the contractually intended use, (b) the rendering of the remaining performance is secured and (c) the customer does not face significant additional costs owing to the part performance.
- (c) Where it is impossible for us to meet our obligations under the contract or only to do so with delay we are not liable to the extent that this is attributable to force majeure or other occurrences which were unforeseeable when the contract was concluded and for which we are not responsible (including without limitation any disruption to operations, fire, natural disasters, weather, flooding, war, insurgency, terrorism, transport delays, strikes, lawful lockouts, shortage of energy, raw or human resources, delays in the issue of necessary official permits, official/sovereign measures). Failure of our suppliers to supply us correctly or in time does not constitute an occurrence of this type if we are not responsible for any of these occurrences.
- If the impediment to delivery lasts longer than three months the customer is entitled, having set a reasonable subsequent deadline, to rescind the part of the contract not yet fulfilled.
- (d) Delivery deadlines will be extended automatically by an appropriate period if the customer does not fulfil its contractual obligations or other duties to cooperate or other obligations. In particular, the customer is responsible for providing us promptly and in the correct format with all documents, information, samples, specimens and other information and items which it is required to provide and, if applicable for ensuring the technical resources, construction, premises, HR and organisational circumstances needed for product assembly or similar services (such as installation, commissioning, set up/adjustment) are available.

III. Passing of Risk

- (a) Unless set out otherwise in our order confirmation delivery ex works is agreed (EXW - Incoterms 2010) based on the warehouse from which we ship.
- The risk of damaging or losing the goods passes to the customer as a matter of principle as soon as the goods are available to the customer unless agreed otherwise by separate, additional transport agreement (see also III.(c)).
- (b) Transport or other packaging may not be returned.
- (c) We shall only conclude transport insurance if a specific instruction is issued and to the account of the customer.
- (d) If the customer is in default with acceptance, if it fails to cooperate as required or if our performance is delayed for other reasons for which the customer is responsible, we may charge for any ensuing damage, including additional expenditure which we incur such as storage costs.

IV. Payment

- (a) The purchase price shall be due for payment within seven days after receipt of the invoice. The date of payment shall be the day on which the payment is credited to our account.
- (b) The customer automatically falls into default with payment as soon as the respective deadline for payment pursuant to (a) expires. During default, interest shall accrue on the purchase price at the applicable statutory default interest rate. We are also entitled to the statutory default amount pursuant to § 288 (5) sentence 1 German Civil Code. We reserve the right to assert claims for any further default losses. In business with merchants this has no effect on our statutory entitlement to interest (§§ 352, 353 German Commercial Code (*Handelsgesetzbuch*)) from the due date.
- (c) The customer only has the right to offset and exercise a right of retention if (i) its counterclaim is either undisputed has been ruled final and absolute by a court of law or (ii) where such claim has been asserted through a court the claim is ready for a decision or (iii) where such claim is synallagmatic to the principal claim.
- (d) Bills of exchange and cheques shall only be accepted on account of performance.

V. Warranty

(a) The customer's rights in the case of material or legal defects (including incorrect delivery and insufficient quantities, faulty assembly or instructions) are subject to statutory requirements unless otherwise stated or qualified in these General Terms and Conditions.

Other than in the cases provided for in VI. (b), (c) and (d) of these General Terms and Conditions we have no duty to provide warranty for quality defects where we have agreed to supply used products. Nor are we liable under warranty if the customer modifies the goods or has them modified by third parties without our consent and if such modification makes it impossible or unreasonably difficult to remedy the defect. In any event the customer shall bear any additional costs in remedying the defect caused by such modification.

(c) Unless otherwise expressly stated (i) our products and services are only required to comply with statutory requirements which apply in Germany and (ii) responsibility for integrating the products in technical, building and organisational circumstances which prevail at its premises lies solely with the customer.

(d) Unless the parties have expressly agreed that acceptance must take place, the customer shall inspect the goods delivered without undue delay after delivery to customer or a third-party recipient named by customer and report any defects without undue delay. This shall be subject to § 377, § 381 German Commercial Code (*Handelsgesetzbuch*) and the provisions in this paragraph. For the report of defects to be without delay, it must be sent no later than within seven (7) working days after delivery or – if the defect was not recognisable during the inspection (§ 377 (2) and (3) of the Commercial Code) – no later than within three (3) working days after detection of the defect.

(e) The customer must return any goods reported as defective to us at our request at the customer's cost without undue delay. If the complaint is justified we will refund the customer the costs based on the most favourable means of dispatch; this shall not apply if the goods are at a location other than that of their designated use.

(f) If the customer does not carry out a proper inspection and/or issue proper notice of defects, this will invalidate any warranty obligation or other liability which we may have in respect of the defect concerned.

(g) In any event, the customer must allow us the time and the opportunity needed to examine warranty and other complaints and to remedy the defects; in particular it must make the goods concerned available for such purposes or – where the goods are assembled or installed in a fixed manner – grant us access to the site.

(h) If there is in fact a defect, we shall bear the necessary costs of examination and subsequent performance, in particular the costs of transport, travel expenses, work and materials. Subsequent fulfilment shall not include removal of the defective item or re-installation of the defect-free item if our original obligations did not include installation. However, if a demand from the customer to remedy defects turns out to be unjustified we can demand that the customer refund us the costs incurred hereby.

(i) If we have supplied defective goods, we have the right and the obligation to either render subsequent fulfilment by remedying the defect or supply a replacement and shall notify our customer within a reasonable period which course of action we have chosen. If we supply a replacement, the customer must return the defective items to us as provided for by statute.

(j) We have the right to make subsequent fulfilment dependent on the customer paying the due purchase price or, if applicable, the current instalment, whereby the customer has the right to withhold a proportion of the payment commensurate with the defect.

(k) If subsequent fulfilment is impossible or has failed or if the customer has set a reasonable deadline for subsequent fulfilment and such deadline has expired without success or if there is no statutory obligation to set a subsequent deadline, the customer may decide either to withdraw from the contract or to reduce the purchase price. However, the customer may not withdraw from the contract if the defect is immaterial.

(l) The customer can only withdraw from or terminate the contract owing to a breach of duty on our part which is not attributable to a defect in the goods if responsibility for the breach of duty lies with us; in all other respects statutory provisions apply. The customer does not have the right to terminate the contract, particularly not pursuant to §§ 651, 649 German Civil Code.

(m) Claims for compensation are only possible subject to VI. of these General Terms and Conditions

VI. Liability

(a) Unless otherwise set out in these General Terms and Conditions, we shall be liable for a breach of contractual and non-contractual duties as provided for by statute.

(b) We have unlimited liability – for whatever reason – for compensation for losses based on wilful or grossly negligent breach of duty on our part or by any of our legal representatives or vicarious agents.

(c) In the event of a negligent breach of duty on our part or by one of our legal representatives or vicarious agents we shall be liable only

i) – but without limit – for resultant losses arising from injury to life, limb or health;

ii) for losses arising from a breach of material contractual duties. Material contractual duties are those duties that are material to proper performance of the contract and on whose fulfilment the customer generally relies or is entitled to rely. In this case, however, the amount of our liability is limited to losses which are typical of this type of contract and which were foreseeable at the time the contract was concluded.

(d) The liability limitations arising from (c) do not apply where we have maliciously failed to disclose a defect or where we have assumed a warranty in respect of the attributes of the goods or a procurement risk. This shall have no effect on mandatory liability under the German Product Liability Act (*Produkthaftungsgesetz*).

(e) Where our liability is excluded or limited under the above provisions, this also applies to the personal liability of our directors and officers, legal representatives, employees, staff and other vicarious agents.

V I I . L i m i t a t i o n P e r i o d

- (a) Notwithstanding § 438 (1) no. 3 German Civil Code (*Bürgerliches Gesetzbuch*), the limitation period for claims – including non-contractual claims – for quality defects and defects in title shall be one year from delivery; this does not apply to the scenarios set out in VI. (b), (c) and (d) of these General Terms and Conditions. The respective relevant statutory limitation period shall apply thereto.
- (b) Delivery within the meaning of (1) sentence 1 shall mean arrival at the customer of our dispatch advice/advice that goods are ready for collection or – if so agreed – handover of the goods to the transporting entity. If the parties have agreed that the goods have to undergo an acceptance procedure, the limitation period begins on acceptance.
- (c) If the goods consist of a building or of an object which, in being used for its usual purpose, has been incorporated in a building and has caused the building to be defective (building materials and components), the limitation period will be five (5) years from delivery as provided for by statute (§ 438 (1) no. 2 a or b German Civil Code). This does not affect the statutory provisions regarding third-party claims for release of goods (§ 438 (1) no. 1 German Civil Code), malicious failure to disclose a defect on our part (§ 438 (3) German Civil Code) or for recourse claims against the supplier where goods have been supplied to a consumer (§ 479 German Civil Code).

V I I I . R e s e r v a t i o n o f T i t l e

- (a) The reservation of title agreed upon herein serves as security for our claims against the customer under the respective contractual relationship or from any outstanding balance receivables from current account which we may have (referred to collectively as "secured receivables").
- (b) Any goods which we have supplied to the customer remain our property until all secured receivables have been paid in full. These goods and the items by which they will be replaced subject to the provisions set out below, which are also covered by reservation of title are referred to hereinafter as "reserved goods". If the customer intends to move the reserved goods to a location outside Germany, it is required to take whatever measures are necessary under the laws of that location without undue delay at its own cost to ensure that our reservation of title is safeguarded and to inform us without undue delay of such intention.
- (c) The customer shall keep the reserved goods on our behalf free of charge. It shall treat them carefully and insure them sufficiently at its own cost at replacement value. If servicing, maintenance or inspection work become necessary (this does not include any work to be performed by us as fulfilment or subsequent fulfilment), the customer must perform such work at its own cost in good time.
- (d) The customer may not pledge the reserved goods or to transfer title in them as security. If the reserved goods are attached or otherwise seized by third parties the customer must make our position as owners clear and notify us in writing without undue delay so that we can assert our title rights. If the third party refuses to refund any court or out-of-court costs which we incur in this connection, the customer will be liable to us for such costs.
- (e) The customer has the right to use, process/alter, combine, mix and/or sell the reserved goods in the proper course of business until the realisation.
- (f) If the reserved goods are processed or altered such processing will always be carried out for us as manufacturers in our name and for our account and we will acquire directly title or – if processing or altering makes use of materials belonging to two or more owners or if the value of the newly created item is higher than the value of the reserved goods – pro rata co-title in the newly created item commensurate with the ratio of the value of the reserved goods (gross invoice value) to the value of the newly created item. The customer herewith transfers its future ownership or co-ownership (in the ratio set out above) in the newly created item as security to cover the eventuality that we do not for some reason acquire ownership or co-ownership; we hereby accept such transfer.
- (g) If the reserved goods are combined (§ 947 German Civil Code) or mixed (§ 948 German Civil Code) with items which do not belong to us we will acquire pro rata co-title in the newly created item commensurate with the ratio of the value of the reserved goods (gross invoice value) to the value of the other combined, mixed items at the time of such combining/mixing; if the reserved goods constitute the principal item, then we acquire sole title (§ 947 (2) German Civil Code). If one of the other items must be regarded as the principal item, to the extent that the principal item belongs to the customer, the customer herewith transfers to us pro rata co-ownership in the complete item in the above-stated ratio. We herewith accept this assignment.
- (h) The customer shall keep our sole title or co-ownership in an item which has been created as described in the previous provisions for us free of charge.
- (i) The customer assigns its claims against its customers for remuneration from resale of the reserved goods and those claims of the customer in respect of the reserved goods arising for any other reason against its customer or third parties (in particular claims from tortious acts and claims from insurance payments) including any outstanding balance receivable from current account to us here and now as security; in the event that we have co-title in the reserved goods assignment shall refer to our pro rata co-ownership share. We hereby accept these assignments.
- (j) We hereby irrevocably authorise the customer to collect the claims assigned to us in its own name on our behalf. This has no effect on our right to collect such claims ourselves. However, we will not collect such claims ourselves and will not revoke the customer's authorisation to collect as long as the customer duly meets its payment obligations to us (and in particular does not fall into default with payment), as long as an application has not been filed for insolvency proceedings over the customer's assets and as long as the customer is not unable to perform (§ 321 (1) sentence 1 German Civil Code). If any of the scenarios described above occurs, we may demand that the customer inform us of the claims assigned and the respective debtor, that it informs the respective debtors of the assignment (which we may also do at our discretion) and release to us whatever documents and provide us with whatever information/data we need to assert the claims.

(k) VIII. (d) of these General Terms and Conditions applies accordingly to the assigned claims.

(l) If the customer so requests, we must release the reserved goods and any items and claims by which they have been replaced to the extent that their estimated value exceeds the value of the secured claims by more than 20%. The choice of the items to be released lies with us.

(m) If we withdraw from the contract because the customer has acted contrary to the contract – in particular if the customer is in default with payment – under statutory requirements (realisation) we have the right to demand that the customer release the reserved goods. Such request for release of reserved goods shall constitute declaration of withdrawal from the contract, if this has not been declared already. All transport costs which arise in connection with our taking back the reserved goods shall be borne by the customer. If we attach the reserved goods this shall also constitute declaration of withdrawal from the contract.

I X . S e v e r a b i l i t y C l a u s e , A p p l i c a b l e L a w

(a) Should individual contractual terms be or become invalid in whole or in part the rest of the contract shall remain valid; this also applies in the event that there is a lacuna. The provision which is invalid in whole or in part or the lacuna to be filled shall be remedied by an appropriate provision which in its meaning and purpose, as far as is legally possible, reflects what the contractual parties would have wanted had they considered this point at the time.

(b) This agreement shall be subject to the laws of the Federal Republic of Germany. The uniform international on the sale of goods (CISG) shall not apply.

(c) The place of performance for all claims from the contract concluded between us and the customer shall be Lübeck.

(D) The place of jurisdiction shall be Lübeck. This place of jurisdiction is the sole competent place of jurisdiction for claims of the customer against us. We may bring action against the customer at the respective location of the appliance. If the registered office of the customer is outside Germany the following applies: All disputes between the parties shall be settled according to the arbitration code (*Schiedsgerichtsordnung*) of the Deutsche Institution für Schiedsgerichtsbarkeit e.V. (DIS), excluding jurisdiction of the general courts of law (*Ausschluss des ordentlichen Rechtsweges*). The place of arbitration is Lübeck. There shall be three arbitrators. The language of the arbitration proceedings shall be English.

Date: November 2015