

1. Preliminary note
    - (1) These general terms and conditions apply exclusively; we do not recognize conditions of the Customer which contradict or deviate from the Supplier's general terms and conditions unless the Supplier has expressly approved their validity in written form. The general terms and conditions shall also apply in cases where the Supplier is aware of a Customer's contrary or deviating terms and conditions and nevertheless performs the supply commitment to this Customer.
    - (2) Any and all agreements and understandings made between the Supplier and the Customer for the purpose of executing this contract are set forth herein in written form.
    - (3) The general terms and conditions for purchase and delivery shall only be applicable to Contractors. Contractors in terms of these business conditions are natural and legal persons, or incorporated partnerships who undertake business in the course of their commercial or self-employed occupational activities.
  2. Product information
    - (1) The product information, price lists, drawings and technical or commercial documents provided by the Supplier shall remain the property of the Supplier. If our contracting party or contractors with whom business relations are or shall be maintained, receives information, price lists, drawings and technical or commercial documents, he is only allowed to use these in the context of the respective contract purpose. They may not be used for any other purposes, copied, reproduced, passed on to a third party or released.
    - (2) Weight and measurement data, drawings, explanations, descriptions and images provided by the Supplier represent only approximate values; images do not have to be identical with the actual execution of the Supplier's product. Documents with definite data can be delivered upon conclusion of contract to an appropriate extent. The Supplier reserves the right to change the technical concept and construction of the offer is based on, provided the modification does not affect the quality and performance of the offered delivery item.
    - (3) We reserve the right of ownership and copyright (proprietary) for drawings and other documents owned by us; any exploitation rights under copyright are exclusively due to us. Drawings and other documents may not be passed on to third parties without our explicit written permission and must be returned to us if requested.
  3. Offers and Questions
    - (1) If the offer is qualified as a binding offer targeting to the conclusion of a contract the Supplier can accept it within four weeks.
    - (2) General offers are non-binding and are subject to alteration without notice, as far as nothing to the contrary results from the offer.
    - (3) To become legally validated, general offers or orders and declarations of acceptance require their written confirmation by the Supplier, which can also occur through execution or invoicing.
    - (4) All information about suitability or use of the products is through ordering and has been stated according to the best of knowledge and belief of the Supplier.
    - (5) In particular the Customer is not exempted from checking and verifying if the product is suitable for the purpose intended by him/her.
    - (6) Call orders must be called up within the time limits laid down in the contract.
  4. Terms of delivery
    - (1) Delivery dates or deadlines can be agreed upon as binding or non-binding. The delivery period is determined by the agreements of both contracting parties. The Supplier shall only be obliged to meet the delivery date if all business and technical issues have been clarified and if the Customer has met all obligations such as providing the necessary certificates/approvals, supplying the required material. If this is not the case, the delivery period is extended appropriately. This does not apply if the delay is due to the Supplier.
    - (2) If a deposit was agreed upon, the delivery period begins according to clause 1 on the day of receipt of the down payment, provided that all other necessary contract terms have been fulfilled. Payments of any type shall be considered as received on the day on which the amount is at Supplier's disposal.
    - (3) In case any agreed payment dates are exceeded, subsequent delays will occur, without the necessity of a reminder. If the Customer is in default with payment for a period, the Supplier is entitled to demand the goods to be returned and demand compensation (see figure 14 - "Reservation of Proprietary Rights"). In the event of default, especially in the case of suspension of payments, a comparison or moratorium, all claims are due instantly. The Supplier is authorized, to charge up all claims he has towards the Customer, against the claims the Customer has towards the Supplier. The Customer can only offset claims of the Supplier against undisputed or legally established claims.
    - (4) Meeting the delivery deadline is subject to correct and punctual supply to the Supplier by his sub-suppliers. The Supplier shall provide notification of any delays that become apparent as soon as possible.
    - (5) The time of delivery is met when the item to be delivered has left the Supplier's premises by the end of the stipulated time or is notified as ready for dispatch. If a technical inspection is required, the acceptance date applies - except in the event of acceptance being justifiably refused - alternatively the notification of acceptance readiness.
    - (6) If dispatch or acceptance of the object of the delivery is delayed for reasons which are due to the Customer any costs accruing from the delay shall be charged to the Customer, starting one month after reporting of the readiness for dispatch or acceptance.
    - (7) If the non-occurrence of the delivery time is attributable to higher power, labour disputes or other events that lie beyond our sphere of influence, then the delivery time is extended proportionally. The Supplier will notify the client as soon as possible of the beginning and end of any such events.
    - (8) If the Customer delays acceptance or violates his duty to cooperate, the Supplier will be entitled to claim for compensation. The supplier reserves the right to additional claims.
    - (9) If the conditions listed in clause (8) apply, the risk of accidental loss or deterioration of the delivery items shall pass to the Customer at the point in time at which the Customer defaults on acceptance.
    - (10) The Supplier is liable in accordance to the respective legal provisions, far as the sales agreement is a firm deal in the sense of § 286 clause 2 no. 4 BGB or § 376 HGB. The Supplier shall also be liable in accordance with statutory provisions if, as a consequence of the delay in delivery for which the Supplier is responsible, the Customer is entitled to assert the right that his interest in the continued fulfillment of the contract has ended.
    - (11) Furthermore, the Supplier shall be liable in accordance with statutory provisions if any delay in delivery is the result of a willful or grossly negligent infringement of the contract for which the Supplier is responsible; culpability of Supplier's representatives or agents shall be attributed to the Supplier. Insofar as the delay in delivery is not based upon a willful contractual infringement for which we are responsible, our liability to pay compensation shall be limited to foreseeable damages which typically occur.
    - (12) The Supplier shall also be liable according to the statutory provisions if the delay in delivery for which the Supplier is responsible is due to the culpable infringement of a fundamental contractual obligation (fundamental contractual obligations are those whose fulfillment forms the contract and whose compliance the customer may have confidence in), in this case, liability for damages is, however, limited to the predictable, typically occurring loss.
    - (13) Incidentally in the case of delayed delivery the Supplier is liable for every completed week of delay in the range of an estimated compensation for delay of 0.5% (percent) of the value of goods, which however shall not exceed 5% (percent) of the value of goods. The Supplier is authorized to provide evidence that due to the delay in delivery no damage or a considerably lower damage has occurred. If the Supplier provides the evidence, the damage caused by delay only has to be replaced by the estimated compensation for delay mentioned in clause 1 which is below the damage caused by delay.
  5. Prices
    - (1) The prices are EXW prices. The turnover tax will be listed separately in the bill at the respective legally valid rate on the billing date (in the case of down payments: on the day of payment). Import duties, fees for consultation and different levied taxes/fees based on regulations of the country of destination are generally not included in the appointed prices and will be charged to the Customer. Deliveries including duties or other charges, the stated price is based on the rates valid at the time of the placement of the order. We will charge the real costs, VAT, if any, is charged in addition.
    - (2) If the Supplier has, as an exception, covered the costs of duties and other import fees, eventual increases, for instance through changes in tax laws, will be charged to the Customer.
    - (3) The costs of the packaging will additionally be charged. Special packaging shall remain the property of the Supplier and will be charged in form of rental on the basis of production costs; the packaging must be returned to the Supplier immediately, sent freight paid. The costs for the transport to the customer are not included at the price.
    - (4) For supplies and assignments, for which no final sum can be determined, the Supplier reserves the right, depending on the circumstances, to demand a down payment with order as well as part payments for the duration of production, according to the production costs. No interests are charged on down payments and part payments.
    - (5) In case of an increase or reduction of production costs (particularly increases in wages, prime costs, taxes or other duties) in the period between placement of order and execution of the order, as far as this period is longer than 2 months, the Supplier is entitled to change or price accordingly. We will document this if requested by the Customer.
  6. Conditions of payment
    - (1) If the order confirmation does not specify otherwise, the purchase price and/or work compensation - hereinafter in short: purchase price - is payable within 30 days from the invoice date as a net price (without deducting). Invoices for spare parts, repairs and assembly are payable without deduction within 14 days. Bills of exchange or cheques are accepted under reservation and are not considered as cash payments before complete encashment on one of Supplier's accounts. Upon receipt of bills of exchange, the standard discount and collection charges levied by banks and collection fees will be charged.
  - (2) In the case of foreign shipments, it applies that if a transfer of the payments from the country the payment must occur is not possible when the payment is due, the Customer must nevertheless deposit the equivalent amount of the amount due, in a bank in the respective country. In the case of worsening rates, in the previously not agreed currency the amount was deposited, the Customer must compensate the amount with additional payments.
  - (3) If the Customer defaults on payment, the Supplier is entitled to demand default interest in the amount of 8% above the applicable bank rate in the Federal Republic of Germany. If the Supplier is in the position to prove higher damage caused by delay, the Supplier is entitled to assert this. The Customer shall, however, be entitled to submit evidence to the effect that no or a considerably lower loss or damage has been caused to the Supplier as a result of the delay in payment.
  - (4) In the case of the delay of payment, the Supplier is entitled to demand advanced payments or other collateral securities for outstanding deliveries.
7. Power Supply
  - (1) Crucial for the power supply are the type-signs on the electric motors as well as what appropriate the circuit diagrams attached to the user manual. In case of doubt, queries should be directed to us.
8. Warranty
  - (1) The claims and rights of the Customer regarding defects, are subject to him having fulfilled the inspection and notification obligations properly in accordance with § 377 HGB. In this case the Customer will have to prove all conditions for his claims under statutory rights, in particular the specific fault itself, the time of its discovery and the punctual reporting of the fault, according to the regulations of the German private law.
  - (2) The warranty of merchantability may be excluded, if the Customer does not follow the user manual, the Supplier's specification for the media connections, such as current, compressed air, vacuum, water in- and outlet, fuel gas and so on, as well as not follow the fundamental requests for the machine assembly and therefore the delivery item does not fulfil the contractually determined or standard condition. For the burden of proof, with regard to the obligation of warranty as a result of the non-observance of the user manual as well as the specification for the media connections, the regulations of the German private law apply.
  - (3) As far as the technical condition of an internet based Remote-Service via VPN-connection is given, the customer is obliged to connect the supplied item accordingly and to grant access to the Supplier for fault tracking in case of a service.
  - (4) If a contractual obligation between the Supplier and the Customer has been reached and the purchase good is defective, the Customer is entitled to choose between a supplementary performance and a delivery of fault-free replacement merchandise.
  - (5) The Supplier can refuse the chosen type of supplementary performance, if the costs are disproportionately high. Hereby one must consider particularly the value of the item in a fault-free condition, the significance of the defect and the question if the supplementary performance can be achieved without substantial disadvantages for the Customer. The claim of the Customer in this case is limited to the other kind of supplementary performance; the right of the Supplier to refuse this too under the conditions stated in the first sentence, stays unaffected.
  - (6) The Supplier can also refuse the chosen type of supplementary performance, as far as this means an effort, which regarding the content of the obligation and the precept of acting in good faith, is considerably at variance with the interests of the Customers in terms of payment. When determining the expected efforts of the Supplier one must consider if the Supplier can represent the improvement to performance.
  - (7) The Supplier can also refuse the chosen type of supplementary performance, when the effort must be produced personally and whilst carefully weighing up performance and expected hindrances is considerably at variance with the interests of the Customer and can not be expected.
  - (8) In the case of a removal of the defect, the Supplier is obliged to bear all expenses required in order to remove the defect, especially transport costs, labour and material costs, to the extent that these expenses are not increased because the purchased good has been brought to a place other than the place of fulfillment.
  - (9) Should the Supplier deliver a defect-free replacement item as a supplementary performance, he can demand the return of the defect item according to §§ 346 to 348 BGB (Civil Code).
  - (10) The Supplier shall be held liable in accordance with prevailing legal provisions provided that he culpably violates the fundamental contractual obligations (fundamental contractual obligations are those whose fulfillment forms the contract and on whose compliance the customer may have confidence in); in such a case liability for damages shall be limited to predictable, typically occurring damage.
  - (11) The Supplier shall be held liable in accordance with prevailing legal provisions provided that the ordering party asserts claims for damages based on willfulness or gross negligence of the seller or his agent on the willfulness or gross negligence of agents or vicarious agents of the seller. If the seller cannot be charged with a willful violation of the contract, then the liability will be limited to predictable, typically occurring damage.
  - (12) Insofar as the customer is entitled to claim for compensation for damages instead of contract performance, our liability shall, within the framework defined in Item (6), be limited to predictable damages which typically occur.
  - (13) If subsequent performance is not successful the Customer has the right to rescind the contract or require a reduction in payment.
  - (14) Insofar as the grounds of culpable harm to life, body or health is unaffected, as is liability according to the German law on product liability.
  - (15) Insofar as nothing deviates in the regulation of the preceding, the Supplier's liability is excluded.
  - (16) The limitation period for defect claims is 12 months from the transfer of risk.
  - (17) During warranty time customer is obliged to carry out possible maintenance works according to the maintenance plan.
  - (18) The Supplier will also bear the expenses necessary for the purpose of subsequent fulfillment, especially transport, travel, labour and material costs, also by reasons of a factory contractual obligation.
9. Industrial Property Rights
  - (1) The Supplier is liable towards the Customer, for the goods not infringing any industrial property rights of a third party, within the scope of the following contract provisions.
    - 1) The Customer immediately notifies the Supplier of asserted breaches of industrial property rights or copyrights.
    - 2) The Customer supports the Supplier to an appropriate degree in defending the claim that has been asserted in connection therewith or allows the seller to conduct modifications, to eliminate the violation of industrial property rights.
    - 3) The Supplier may reserve the right to resort to all defence measures at its disposal including settlement out of court.
    - 4) The defect in title is not the result of instruction of the Customer and
    - 5) The infringement of industrial property rights is not the result of modifications made by the Customer himself or in a manner not conforming with the agreement.
  - (2) The damages resulting from infringement of foreign industrial property rights are not based on drawings, developments or other information provided by the Customer. In this case the Customer must release the Supplier from any third party claims.
  - (3) In the case of an infringement of third party industrial property rights, for which a liability of the Supplier according to paragraph (2) is excluded and therefore the use of the delivery item is partially or entirely legally prohibited, the Supplier will, at own expense, either
    - 1) provide the Customer the right of use for the delivery item or
    - 2) design or modify the delivery item in such a way, that the infringement is eliminated or
    - 3) replace the delivery item with another item with an equivalent performance, which does not infringe any foreign industrial property rights or
    - 4) take back the delivery item and reimburse the Customer the compensation or the purchase price.
  - (4) The Customer is not entitled to any further claims or demands, on the base of infringement of third party foreign industrial property rights. Particularly consequential damages, such as production or usage failures, as well as loss of profit, will not be compensated. This shall not apply in cases of mandatory liability based on intent, gross negligence or in cases of violation of cardinal contractual obligations involving ordinary negligence which are limited to foreseeable damages which might typically occur, as required by law. The right of the Customer to withdraw from the existing contract remains unaffected.
  - (5) The Customer does not purchase any claims for the use of industrial property rights provided to the Supplier, which concern the interaction with other items.
10. Joint and Several Liability
  - (1) Insofar as nothing else has been specified above, any further liability of the seller is excluded without consideration of the legal nature of the asserted claim. This especially applies for damages resulting from negligence in contracting, other breaches of duty or claims for damages or for other violations of obligations or through tort claims for restitution of damages according to § 823 BGB.
  - (2) The aforementioned limitation (para.1) also applies if instead of a claim for damages the client requests compensation for useless expenses rather than the performance of services.
  - (3) Should the liability for damages on the part of the Supplier be excluded or reduced, this shall also apply with regard to personal liability for compensation for damages on the part of its staff, workers, representatives and persons employed in auxiliary tasks. The aforementioned limitations of liability do not apply, for damages to privately used goods pursuant to the Product Liability Act or in cases of intent or gross negligence or the violation of fundamental contractual obligations that are typical and reasonably predictable for this type of contract (fundamental contractual obligations are those whose fulfillment forms the contract and on whose compliance the customer may have confidence in).
11. Software Engineering Licenses / Agreements of Use
  - (1) The delivered software and engineering scope may only be used for the intended project according to regulations. Any further operation of this software and engineering services or parts of it (even modified parts) are only allowed with an explicit written authorization. Copyright and ownership rights, such as patents or utility patents, which are embodied within this software and engineering services are to remain property of the Supplier and will not be transferred to the Customer / User. The Supplier reserves all rights. The software and engineering scope in particular may not be copied and distributed to third parties without prior authorization by the Supplier nor may they be missed in any other way from the User/third parties beyond the scope of the contract. Contraventions of this clause entitle the supplier to make full claim for compensation. The in the contract agreed warranty for the software does not apply, if the delivered original software is changed in any way by without explicit written authorization by the Supplier.
12. After Sale Service
  - (1) On Customer request the Supplier will send out qualified specialists. The costs therefore are invoiced according to the current service hourly rates and are payable net directly after receipt of the invoice, as also the original costs of travel expenses.
13. Passing of Risk and Acceptance
  - (1) In the absence of a deviating agreement, the in the contract defined acceptance inspection will be executed at the place of production during the normal working hours. The costs for the necessary material needed for the start-up are covered by the Customer. Furthermore the Supplier reserves the right to calculate the additional costs for the provided specialists needed for the start-up of the machine. The acceptance inspection has been fulfilled when the Customer, by the end of the completion of the inspection, does not assert any legitimate objections.
  - (2) If the Customer renounces the arranged acceptance inspection or if the Customer is, despite on time notification, not present during the testing, the inspection through the Supplier is classified as acceptance.
  - (3) If the tests are delayed due to reasons beyond the control of the Supplier, possible expenses must be covered by the Customer.
  - (4) In principle the risk is passed on to the Customer, as soon as the delivery item leaves the work plant, even when the Supplier has accepted to pay for further performance, such as shipping costs or delivery and installation or if the delivery item is put to the Customer disposal at his plant. If an inspection is to take place, this shall be significant for the passing of risk. This is also the case when the inspection through the Supplier is classified as acceptance. In the case a pricing was agreed upon, for which INCOTERMS 1990 has another passing of risk regulation, including at the time of conclusion of contract valid additions, the deviating regulations apply. If the shipping is delayed due to reasons beyond the control of the Supplier, the risk passes to the buyer on receipt of the notification that the goods are ready for dispatch.
14. Reservation of Proprietary Rights
  - (1) The supplier retains ownership of the delivery item until all payments under the delivery contract have been received from the Customer. In the event of breach of contract by the Customer, particularly in respect of payment arrears or by infringing a duty specified under the following provisions, the Supplier may without notice from the contract and demand the return of the goods. The pledging of the delivered item means at all times a withdrawal from the contract. After pledging the delivery item, the Supplier is authorized to commercialize the item; the proceeds of such a sale shall be credited against the Customer's liabilities towards the Supplier - deducting reasonable implementation costs.
  - (2) The Customer is obliged to handle the delivery item with care; he is especially obliged to insure the delivery item at his cost against fire, water and theft, damage, up to the value of the original price. The insurance policies are to be shown by request of the Supplier. All current and future claims towards the insurance company, accruing from the insurance of the goods, are transferred from the Customer to the Supplier. All claims for compensation, from the Customer towards a third party, due to loss or damage of the delivery item, are transferred with their accrual to the Supplier. If inspection and maintenance services are needed, the Customer must perform them in time and carry the costs.
  - (3) In the event of distress or other third party interventions, the Customer must notify the Supplier immediately in writing that the Supplier may take action against the distress or other interventions of third parties. As far as the third party is not able to refund the Supplier the court costs and extra-judicial costs of an action against the distress or other third party interventions, the Customer shall be liable for the loss.
  - (4) The Customer is authorized to sell the delivery item in legal transaction; but already now the Customer assigns all claims to the Supplier - equivalent to the final invoice amount (including VAT) - arising out of the resale to his customer or any third party, irrespective of whether the item was sold with or without further processing. The Customer remains authorized to collect this claim even after the assignment. The Supplier's authority to collect the claim itself shall remain unaffected hereby. However, the Supplier commits to refrain from collecting the debt, as long as the Customer complies with the payment obligations from the collected proceeds, is not in delay with payment and in particular, provided there is no application for opening of insolvency proceedings or stoppage of payments. In this case, then the Supplier can demand that the Customer reveals the credit claims and debtors, provides the information necessary for collection, hands over related documents and gives notice of cessation of claims to the debtors.
  - (5) Processing or transformation of the delivery item by the Customer is always carried out on behalf of the Supplier. If the delivery item shall be processed with other items, not belonging to us, the Supplier gains co-ownership of the new item in relationship of the value of the delivery item against the other processed items at the time of processing. Otherwise, the same will apply to the object that has arisen through processing as to the object supplied with reservation.
  - (6) If the delivery item shall be processed with other items, not belonging to us, the Supplier gains co-ownership of the new item in relationship of the value of the delivery item against the other processed items at the time of processing. If the combination takes place in such a manner that the material of the Customer is to be viewed as the most important thing, it is agreed upon that the Customer transfers ownership to us proportionately. In this way, the Customer stores the sole property or joint property for us.
  - (7) The Customer also assigns the receivables for securing the claims against him to the Supplier, when created against a third party by the combination of the purchased goods with a real right.
  - (8) The Supplier hereby agrees to release the collateral to which he is entitled insofar as the value thereof shall exceed the value of the accounts receivable which are to be secured by more than 20% (twenty percent); the choice of the receivables to be released shall be made by the Supplier.
  - (9) In the case of international deliveries: if the title retention as described above is valid, according to the laws of the country of destination, the Customer has to collaborate with the Supplier, justifying a security law based on the regulation of the country.
15. General Provisions concerning Statute of Limitation
  - (1) All claims by the Customer on whatever legal grounds will be in laps after one year, counted from the date of delivery, resp. in one year from acceptance of the installation. The short statutory limitation period does not apply if the Supplier can be accused of a gross negligence as well as in case of physical and health damage or loss of life caused by the Supplier. The Supplier's liability under the law on product liability remains unaffected.
16. Export Control
  - (1) Arms systems, when exported, can be subject to German regulations and export regulations of other countries. In the case of exportation of items delivered by Arnold to a country which is not one of the following countries (see list, enclosure 1), we must request a declaration of the end customer over the civil final use of the Arnold product, when placing the order (We can send you a template of the declaration if required). We reserve the right to perform an internal export control, to decide if the contract can be performed by us. The delivered items are high-tech products, which contain assemblies that might be subject to export restrictions. An export must be approved in writing by Arnold. This also applies for components and spare parts. The Customer is responsible for the avoidance and transmission of these restrictions on exports when selling to a third party.
- Enclosure 1 - list of countries
 

Australia, Belgium, Denmark, Finland, France, Greece, Ireland, Israel, Italy, Japan, Canada, Luxembourg, New Zealand, the Netherlands, Norway, Austria, Portugal, Sweden, Switzerland, Spain, United Kingdom, United States of America.
17. Place of Performance and Jurisdiction
  - (1) The law of the Federal Republic of Germany shall apply; the provisions of UN sales law shall be excluded.
  - (2) If the Customer is a trader, a legal person under public law or a public special estate, the exclusive place of jurisdiction for any disputes arising out of this contract shall be the location of our registered office. The same shall apply in case the Customer does not have a general place of jurisdiction in Germany or where the Customer's domicile or usual abode at the time the action is brought is unknown.