

§ 1 General Terms

1. **Application.** These General Business Terms & Conditions (T&Cs) shall govern a "Purchase Order" (PO) filed by a client (hereinafter "Client") following up the quote from SERVOneering GmbH, Seeholzenstraße 4, 82166 Gräfelfing (hereinafter "SVN") these T&Cs have been enclosed with. The Client and SVN may be hereinafter referred to individually as a "Party" and collectively as the "Parties".
2. **Other Terms.** These T&Cs shall apply to all agreements and work assignments between SVN and their Clients. Terms and conditions of the Client shall only apply if SVN has actively and explicitly acknowledged them in writing.
3. **Services and Products.** SVN provide services (e.g., engineering) and actual hardware products (prototypes or certified products); hereinafter all together are referred to as "Products".
4. **Non-Binding Quote.** Quotes from SVN are generally not binding. The binding business transaction is SVN's formal Order Confirmation (OC) referring to a PO of a Client.

§ 2 Price of Products

1. **Price.** The price of Products is determined by SVN's formal OC and not by SVN's quote.
2. **Reservation of Error.** SVN reserves the right to correct obvious failures in their OC. This in particular includes but is not limited to grossly incorrect price numbers.
3. **Change in Price.** Adequate modification of fixed prices stated on SVN's OC are acceptable if SVN's purchase prices (e.g., raw materials or labor cost) rise or the exchange rate between EUROS and the currency stated on SVN's OC fluctuates by more than 10% between the dates of SVN's formal OC and the actual Delivery Date of the Product.

§ 3 Payment Terms

1. **Time of Payment.** If not stated differently on SVN's formal OC, payment is due thirty (30) days net upon invoice and delivery of Products (whatever takes place later) and formal acceptance by Client.
2. **Payment Type.** If not stated differently on SVN's formal OC, Client shall pay via bank wire to the account SVN stated on the formal OC.
3. **Delayed Payment.** In the event that some payment is delayed through the fault of Client and not because Client has claimed any Product defects according to § 6, SVN is, without the need for further agreement and subject to the assertion of other indemnity claims, entitled to charge interest in the amount of 5% per anno applying to the time elapsed since the actual payment due date. In such event, SVN is also entitled at its own discretion and upon at least one reminder to the Client to withdraw from the underlying contract from which the delayed payment results.

§ 4 Delivery

1. **Lead Time.** Lead times on quotes are indications and not binding according to § 1.4 since there is an uncertainty period until the actual PO of a Client is delivered to SVN. The binding lead time is stated by SVN's formal OC.
2. **Delivery Date.** The Products can be expected to be delivered to Clients latest by the date stated on SVN's formal OC (the

"Delivery Date"). Delivery Date is considered to be met if the Products are ready for shipment at SVN a period of time ahead of the actual Delivery Date one could typically assume for shipping similar goods from SVN to the place of delivery. Delivery delays without the control of SVN (e.g., delays by delivery service providers or force majeure) are explicitly excluded from SVN's responsibility.

3. **Timely Delivery.** SVN is only obliged to comply with the confirmed delivery date if all commercial and technical aspects have been settled between SVN and the Client in a dully manner before said Delivery Date. In case such settlement is postponed by either the Client or SVN, the Delivery Date will be postponed by the same period of time.
4. **Delays by Market.** Delivery delays might arise from unusually long lead times for component sourcing which a person experienced in the relevant market would not have anticipated at the time of SVN's formal OC. Such delays are out of SVN's control and would increase the lead time without any penalties to SVN by the difference between the usually long lead time of a respective component and its normally expected lead time.
5. **Delay by Client.** If the delivery is delayed by matters which are under the control of the Client, said Client will pay costs which might arise from such event.

§ 5 Reservation of Title

1. **General.** SVN retains title to the Products until SVN's invoice for said Products is entirely payed and all other outstanding legitimate claims are settled.
2. **Breach of Contract.** In the event of breach of contract by Client and in particular in the event of delayed payment, SVN is entitled upon at least two reminders to claim replevin of the delivered Products which are affiliated with the breached contract. Client is obliged to surrender these Products.
3. **Seizure of Products.** SVN's assertion of its retention of title and/or the seizure of Products does not imply SVN's withdrawal from the underlying PO.

§ 6 Transfer of Risk

1. **Intermediate Acceptance.** Single deliverables or work packages must be checked by the Client within fourteen (14) days upon receipt of such work results. If the Client has not asserted any claims within this period of time, the deliverable or work packages is automatically deemed "formally accepted". If Client does not report any obvious defects of the delivered Products to SVN during this period of time, Client implicitly cedes potential claims for Remedy and Rework according to § 7.3.
2. **Final acceptance.** The entire work results of a project governed by these T&Cs must be checked by the Client within thirty (30) days upon receipt of such work results. If the Client has not asserted any claims within this period of time, the deliverable or work packages is automatically deemed "formally accepted". If Client does not report any obvious defects of the delivered Products to SVN during this period of time, Client implicitly cedes potential claims for Remedy and Rework according to § 7.3.

§ 7 Termination

1. **Termination for Cause.** Either Party shall be entitled to terminate a PO governed by these T&Cs for cause if it can no

longer be reasonably expected of said Party to adhere to said PO.

2. **Hardware Reimbursement.** In case of an early termination of the PO, all material and hardware expenses incurred by SVN on behalf of the Client, as of the date of termination, will be reimbursed by the Client. In the event of early termination, all purchased materials and hardware will be delivered to the Client. In no event will the total reimbursement amounts exceed the supplier fees payable under the PO.

§ 8 Warranty

1. **Prototypes.** SVN's warranty regarding prototypes is limited to the minimum standards specified by applicable law. Warranty voids with the formal acceptance (see § 6.1) of such prototypes by the Client.
2. **Warranty Period.** The warranty period is twelve (12) months upon delivery of the Products to Clients. The warranty period for swapped or repaired parts is six (6) months upon re-delivery of the Products to Clients but at least until the initial warranty period has expired. Warranty voids if the Client or some other party on Client's behalf performs modification or repair on the Products without prior consent by SVN.
3. **Remedy and Rework.** The sole burden of proving that a Product is defective (the "Defective Product") lies with the Client. In case of a Defective Product, SVN reserves the right to decide whether to replace the Defective Product or rework the Defective Product within a reasonable period of time. SVN shall communicate such decision within seven (7) days to the Client claiming such defect.
4. **Costs for Repair.** The costs which might arise from a legitimate warranty claim for the remedy or rework of a Defective Product are borne by SVN. Potential secondary costs which do not directly apply to Defective Products (for example, but not limited to, costs for delays caused by Defective Products, or efforts for assembly and disassembly of a larger products of which the Defective Product is a part) are not borne by SVN.
5. **Failing to Rework.** If reworking by SVN fails more than twice, if replacement with another SVN Product is not feasible, or if remedy is not provided due to some other reason, Client may, at its discretion, either properly reduce the price of Products or terminate the PO while adhering to § 7.2 and § 9.3.
6. **Exclusion of Warranty.** Warranty by SVN is excluded in the following cases:
 - a. Non-compliance with SVN's assembly instructions and user manual
 - b. Improper use of the Products by Clients or a third party acting on behalf of Clients
 - c. Usual signs of use, wear, and fatigue
 - d. Non-authorized maintenance work
7. **Transit of Perils.** Responsibility for the Products is transferred to the Client in the moment the Products are delivered to said Client. Any damage which might happen before this Transit of Perils is on SVN to deal with. This particular includes damages in transit.
8. **Voiding Warranty.** All warranty claims a Client has on a Product expire in case the Client or a third party acting on behalf of the Client brakes sealing marks on a such Product or even disassembles Products entirely.
9. **Foreign products.** With purchased components which are significant to the Products (e.g., motors, gears, sensors, etc.), SVN's warranty is limited to assigning SVN's own warranty terms towards the provider of such components to the Client claiming such warranty.

10. **Resale.** Warranty can only be claimed by SVN's Client and not by parties SVN's Client might have resold the Products to.

§ 9 Liability

1. **Exclusion of Consequential Damage.** Clients are responsible for determining the suitability of Products for their intended application. SVN is neither responsible nor liable for any indirect or consequential damage that might arise from inappropriate use of either properly working Products or from Defective Products according to § 8.3.
2. **Limitation of Liability.** SVN shall be liable for damages culpably and verifiably caused by SVN in cases of gross negligence or slightly negligent breach of a contractual obligation, which is essential to achieve the main purpose of said contract, only to the amount of 25% of the single, project-related value of the respective order but in no case exceeding the maximum coverage of SVN's business and product liability insurance.
3. **Extra Cost for Replacement.** In the event that either Party terminates the PO for whatsoever reason, SVN shall not be liable for any costs incurred on part of the Client in attempting to replace the Products initially offered by SVN but eventually not delivered due to said termination.
4. **Design Flaws.** Design flaws must be claimed by Clients during the development projects when SVN acts as an engineering-service supplier but latest during the formal acceptance of such development Products according to § 6. SVN is not liable for costs arising from any design shortcomings or conceptual flaws which might arise during manufacturing projects when SVN acts as a Contract Manufacturer assembling the designs owned by Clients.
5. **Proprietary Rights.** SVN is not liable if a Product and/or other materials provided by or on behalf of SVN might unintentionally and/or not grossly negligently infringe upon, violate or misappropriate any trademarks, trade secrets, copyrights, patents and any other intellectual property or proprietary rights in any country (collectively, the "Proprietary Rights") of any third party.

§ 10 Miscellaneous

1. **Jurisdiction.** The sole jurisdiction shall be the responsible courts for Munich, Germany, for any claims or conflicts resulting from or in connection with business conducted under or in connection with these T&Cs.
2. **Commission Business.** SVN maintains commission agreements with vendors of components and services which might be applied in projects between SVN and their Clients governed by these T&Cs. Such commission agreement might entitle SVN to a commission payment if said products are applied in such projects and series productions which might be based on such project.
3. **Modifications.** Any modifications and amendments to these T&Cs must be in writing. The requirement as to the written form may only be waived in writing.
4. **Severability.** Should any provision of these T&Cs be or become invalid or cannot be enforced, this shall not affect the validity of the other provisions herein. The invalid provision is to be replaced by the legally permissible provision that comes closest to the intent and purpose of the invalid provision.