

General Terms and Conditions

1. Scope of Application

These terms and conditions of sale apply exclusively to companies, legal entities under public law and special funds under public law within the meaning of Section 310 (1) of the German Civil Code (BGB).

Any terms and conditions contrary to or deviating from our terms and conditions of sale shall only be recognised if we expressly agree to their validity in writing.

These terms and conditions of sale shall also apply to all future transactions with the customer, insofar as these are related legal transactions.

In individual cases, special agreements made with the customer (including collateral agreements, supplements and amendments) shall take precedence over these terms and conditions of sale. The content of such agreements shall be determined by a written contract or our written confirmation, subject to evidence to the contrary.

When interpreting contractual provisions, the following order of precedence shall apply: (1) this Annex A of the offer of bfa automation GmbH; (2) the rest of the offer of bfa automation GmbH; (3) orders; and (4) other documents.

The entire scope of services to be provided under this contract is described in this document. If the customer requests a change in the scope of work, bfa automation GmbH reserves the right to request an amendment to the order or to issue a separate order to take account of the additional costs and the time schedule. Work related to the change in the scope of the order will only commence after receipt of the revised order. A Change Order Request (COR) in bfa automation GmbH's standard form or a revised quotation will outline the changed scope, costs and schedule and will normally be provided by bfa automation GmbH within one (1) week of the requested change. If bfa automation GmbH begins to implement changes before a revised order is received, this does not release the customer from its obligation to pay for these costs. bfa automation GmbH reserves the right to revise the milestone dates in the contract schedule for any/all CORs.

2. Quotation and conclusion of contract

The Product is defined below as the scope of delivery specified in the technical description of this quotation.

If an order is to be regarded as an offer in accordance with § 145 BGB (German Civil Code), we can accept it within two weeks.

bfa automation GmbH does not guarantee that this product is suitable for any other use than that specified.

bfa automation GmbH will consider the customer's preferences for standard components, provided that these are submitted before the offer is made. If the customer does not provide a preference list, the product offered will be based on bfa automation GmbH's list of standard design specifications. bfa automation GmbH reserves the right to extend this list if the components specified by the customer do not appear to ensure the final performance of the design during detailed development.

All orders must refer to the quotation number of bfa automation GmbH.

3. Confidentiality and Intellectual property

3.1 Confidentiality

bfa automation GmbH undertakes to treat as confidential at all times all information about procedures and processes disclosed to it by the client during the project work. This obligation also applies to all employees.

The client shall treat all information made available to it by bfa automation GmbH as confidential; in particular, design concepts, software concepts, software components and documentation may not be disclosed to third parties without written permission.

The client acknowledges that bfa automation GmbH may gain access to the client's data and data records in the course of providing services. It is the responsibility of the client to inform about the relevant precautions and regulations to be observed in this context.

3.2 Licences

This offer may include licences for standard products of bfa automation GmbH and/or third parties. These are personal, non-exclusive, non-transferable and unlimited rights to use the respective software. The right of use is limited exclusively to the scope of the offer; any further use is prohibited.

Upon assignment, the customer agrees to sign the relevant licence agreements.

3.3 Intellectual Property

All concepts and designs contained or referred to in this offer remain the intellectual property of bfa automation GmbH. The use of such documents outside their intended purpose, in particular their passing on, reproduction, publication and making available, including partial copies, requires the express written consent of bfa automation GmbH.

The product of bfa automation GmbH and the associated materials and components may use Software. Software specially developed by bfa automation GmbH for the customer in accordance with the terms of the contract, will be provided to the customer together with the product and the PLC source code. All property rights, other rights and

claims to this customer-specific software will only be transferred to the customer after full payment of the entire product.

The product may also integrate third-party software. As far as possible, bfa automation GmbH shall transfer all rights, in particular licences for such third-party software, to the customer, who shall assume all obligations associated with this transfer. bfa automation GmbH shall not be liable for any defects in the third-party software.

The product may also contain software developed by bfa automation GmbH or its affiliated companies. Ownership of such software and all copyrights and other intellectual property rights shall remain exclusively with bfa automation GmbH. Upon full payment of all claims arising from the specific contractual relationship, this software is licensed to the customer on a non-exclusive basis for the sole purpose of operating and maintaining the product. The customer is not entitled to duplicate, distribute, copy, modify, create derivative works, decompile, reverse engineer or disclose this software. Furthermore, Customer is not authorised to make this software available to third parties or to activate this software from a deactivated state or to allow third parties to do so.

If any part of the product or software to be supplied is covered by a patent or patent application of bfa automation GmbH or its affiliates, this will be stated in the offer or during the design review phase. Unless otherwise expressly agreed in writing, bfa automation GmbH or its affiliated companies shall retain exclusive ownership of these patents.

bfa automation GmbH warrants that the delivered product is free from legitimate claims of third parties. This warranty applies only to the product as delivered by bfa automation GmbH to the customer and not to corrections, modifications or additions made by third parties. If a claim of infringement is made or bfa automation GmbH considers such a claim likely, bfa automation GmbH shall be entitled to (i) obtain a licence from the person making or likely to make an infringement claim; (ii) modify the product as necessary to avoid the infringement claim, provided that the modification does not materially affect the operation of the product; or (iii) accept the return of the product complained of and refund to the customer the price paid for it, taking into account any volume or other discounts granted to the customer.

4. Prices and payments

Where these costs are included in the contract price in accordance with the terms of sale, they shall be deemed to be included:

Unless otherwise stated in the quotation, delivery to the customer shall be ex works at the place of manufacture, packed for domestic truck transport. The rules of Incoterms 2020 apply to the interpretation of the contract with regards to delivery.

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Any export or other special packaging or special transport costs shall be charged to and paid by the customer, unless otherwise stated in the offer. bfa automation GmbH shall only assume responsibility for freight, transport, insurance, dispatch, storage, import duties, brokerage fees, handling, demurrage or similar costs upon express written agreement. bfa automation GmbH shall only assume responsibility for freight, transport, insurance, dispatch, storage, import duties, brokerage fees, handling, demurrage or similar costs upon express written agreement. Any increase in rates after conclusion of the contract shall be at the expense of the customer.

The terms of payment are set out in the body of this quotation. Partial payments are due after delivery and invoicing.

If, during the execution of the contract, bfa automation GmbH becomes aware of a significant change in the customer's financial stability, bfa automation GmbH may demand a reasonable advance payment.

Overdue invoices are subject to interest at a rate of 9% above the base rate of the ECB (European Central Bank). Further rights and claims for damages remain unaffected. In addition, bfa automation GmbH is entitled to cancel the customer's order in its entirety without penalty or to postpone the delivery date for the entire order if payment is not made within 10 days of the invoice due date.

If the customer causes delays of more than 10 days which prevent bfa automation GmbH from issuing a partial invoice as stated in the offer, bfa automation GmbH reserves the right to invoice this partial payment immediately.

5. Delivery Time

The proposed delivery time is based on the expected availability of capacity at the time the quotation is made. This delivery time must be confirmed at the time of the order and is not binding until then. If design reviews are required as part of the project, the schedule will be subject to the customer's approval of the technical drawings within 5 working days.

The proposed delivery time is also subject to the timely and proper fulfilment of the customer's obligations. The right to invoke non-performance of the contract is reserved.

If the customer is in default of acceptance or culpably violates other obligations to cooperate, bfa automation GmbH is entitled to demand compensation for the damage incurred, including any additional expenses. Further claims are reserved. If the above conditions are met, the risk of accidental loss or accidental deterioration of the product is transferred to the customer at the point in time at which he is in default of acceptance or debtor's delay.

bfa automation GmbH is liable for delays in delivery for which it is responsible from a delay of more than 10 working days after the delivery date, and thereafter limited to a lump sum of 0.2% of the delivery value per week, but not more than 2% of the delivery value.

Further statutory claims and rights of the customer due to delays in delivery remain unaffected. bfa automation GmbH will inform the customer immediately of any delays and adjust the delivery date as soon as possible. In the event of an insignificant delay of no more than 20 working days, the customer is not entitled to terminate the contract.

6. Transfer of risk during shipment

If the product is shipped to the customer at the customer's request, the risk of accidental loss or accidental deterioration of the product shall pass to the customer upon shipment to the customer, at the latest upon leaving the factory/warehouse. This applies regardless of whether the shipment is made from the place of performance or who bears the freight costs.

7. Force majeure

If the occurrence of force majeure causes an interruption in the performance of obligations, the parties are released from their obligations under this agreement for the duration of the interruption in performance. If the performance of obligations is permanently and completely prevented due to force majeure, the parties are entitled to terminate or dissolve the agreement. Claims for compensation are excluded. Events considered as force majeure include in particular: war, government measures, sabotage, strikes and lockouts, natural disasters, geological changes and impacts.

If a party is prevented, or is likely to be prevented, from fulfilling one of its contractual obligations as a result of force majeure, it shall immediately notify the other party of the event or circumstances constituting force majeure, specifying the obligations which it is or will be unable to fulfil. Such notice shall be given without undue delay after the party has become aware or should have become aware of the event or circumstances constituting force majeure. Upon giving such notice, the party shall be excused from fulfilling its obligations for as long as the force majeure prevents it from doing so.

In the event of such termination, the Customer shall, upon receipt of a corresponding invoice, pay in full and without undue delay for the services/partial services already rendered, if not already paid by the Customer.

8. Default in acceptance

Default in acceptance occurs if the customer fails to provide all necessary information, sample parts or other specified items required by bfa automation

GmbH for the development, manufacture, testing and installation of the product in a timely manner. This also includes failure to cooperate, such as approval or rejection of proposed design changes, changes in scope, design or other contractual specifications. Default shall also occur if the customer fails to provide the necessary space for installation in a timely manner. Delays, non-delivery, defects or inadequacies in equipment or services supplied by third parties to the Customer shall be deemed equivalent.

9. Retention of title

bfa automation GmbH retains title to the delivered product until full payment of all claims arising from the business relationship. This also applies to all future deliveries, even if bfa automation GmbH does not expressly refer to it. bfa automation GmbH is entitled to reclaim the product if the customer acts in breach of contract.

Processing and handling of the product by the customer is always carried out on behalf of bfa automation GmbH. In this case, the customer's expectant right to the product continues to exist in the processed item. If the product is processed with other items not belonging to bfa automation GmbH, bfa automation GmbH acquires co-ownership of the new item in the ratio of the objective value of our product to the other processed items at the time of processing.

bfa automation GmbH and the customer agree that the security interest granted here shall come into existence when the customer signs this contract. Upon delivery of the product, the customer undertakes to do everything necessary to perfect and maintain the rights, title and security interest of bfa automation GmbH and to sign all documents. bfa automation GmbH undertakes to release the securities to which it is entitled to the extent that their value exceeds the secured claims by more than 20%.

The customer must insure the product against all risks at his own expense until full payment has been received by bfa automation GmbH. Any insurance proceeds received by the customer in respect of the product shall be held in trust for bfa automation GmbH and shall be paid to bfa automation GmbH immediately upon request.

If the customer fails to pay a due and payable amount, bfa automation GmbH reserves the right to exercise ownership of the product. All additional costs, e.g. for removal or dismantling, shall be borne by the customer.

As long as ownership has not yet been transferred, the customer must immediately notify bfa automation GmbH in writing if the product is seized or exposed to any other interference by third parties. If the third party is not in position to reimburse bfa automation GmbH for the court and out-of-court costs of a lawsuit in accordance with § 771 ZPO (German Code of Civil

Procedure), the customer shall be liable for the resulting loss incurred by bfa automation GmbH.

10. Warranty conditions

During the warranty period specified in the contract, bfa automation GmbH will, at its discretion, repair or replace any manufactured or processed component which, under normal use, proves to be defective in material or workmanship. Normal use is defined as use within rated capacities, at correct voltages, during normal operation and with scheduled maintenance, as described in the bfa automation GmbH operating manual supplied with the product. The product must be signed by both parties after completion of the product acceptance checklist provided by bfa automation GmbH. The applicable warranty period begins on the date of shipment to the customer, but shall not exceed 120 days. The warranty period specified in the contract shall commence on the date of delivery by bfa automation GmbH. The warranty statement is only valid within the territory of the Federal Republic of Germany. Statutory warranty rights are not restricted by this warranty.

The warranty for the product only covers the costs of repair and replacement of defective parts and components manufactured or processed by bfa automation GmbH that occur during the warranty period.

The warranty does not cover products that have been modified by unauthorised personnel of bfa automation GmbH. It also does not cover parts subject to wear and tear or defects resulting from improper handling by the customer.

The customer must keep an accurate record of product performance and maintenance in the maintenance card included in the operating and maintenance manual supplied with the product.

If maintenance is required, an order must be placed before any work is carried out. Billing will be based on the document valid from the date of the maintenance request according to bfa automation GmbH's on-site maintenance rates. After reviewing the work required, bfa automation GmbH will determine whether warranty conditions apply. Costs for the technician's travel to and from the customer's site, meals, accommodation, etc. are to be borne by the customer, regardless of whether the work is covered by the warranty or not. In the event of a warranty claim, the customer is obliged to contact bfa automation GmbH immediately. After examination of the defective product by bfa automation GmbH, the product will either be repaired or replaced by an equivalent product, at the discretion of bfa automation GmbH.

11. Guarantee

11.1 Warranty for engineering and software solutions

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bfa automation GmbH provides a warranty of 12 months from the date of handover to the customer for solutions realised by it. Any defects must be reported in writing by the customer. Behaviour that does not meet the user's expectations, but was not clearly defined in the scope of services, cannot be reported as a warranty case.

There are two types of defects:

- Impediments that only minimally disrupt production, cosmetic defects, etc.
- Critical incidents that result in production downtime.

In the event of a critical incident, it is treated with the highest priority (best efforts). Faults will be recorded and remedies will be included in the next version of the software.

The place of performance for warranty services is the registered office of bfa automation GmbH. In order to minimise the costs for warranty and post-warranty support, we recommend that remote maintenance options are made available to end customers wherever possible.

11.2 Warranty for third-party software

If a software error occurs as a result of documented incorrect behaviour of the purchased software, bfa automation GmbH will endeavour to find ways of circumventing this error. If this is not possible, bfa automation GmbH cannot be held responsible for such defects. Any warranty by bfa automation GmbH for third-party software is excluded.

11.3 Warranty for hardware

If hardware components are supplied as part of an order, the warranty conditions of the hardware supplier shall apply. The place of performance is the registered office of bfa automation GmbH.

11.4 Warranty rights / Notification of defects

Warranty rights are subject to the proper fulfilment of the customer's obligations to inspect and give notice of defects in accordance with § 377 HGB (Handelsgesetzbuch - German Commercial Code).

11.5 Warranty rights of the customer

If the delivered product does not correspond to the quality agreed between the customer and bfa automation GmbH or if it is not suitable for the contractually intended use or for use in general, bfa automation GmbH is initially entitled and obliged to remedy the defect (subsequent performance). The same applies if an agreed installation by bfa automation GmbH or its vicarious agents has been carried out improperly. This does not apply if bfa automation GmbH is entitled to refuse subsequent performance on the basis of contractual or statutory provisions.

Excluded from the warranty are defects that arise after delivery, as a result of culpably incorrect

operation or forceful intervention by the customer or third parties, or as a result of normal wear and tear.

The Customer may only claim damages for a defect if the subsequent performance has failed. The Customer's right to claim further damages remains unaffected and is governed by clause 11.6.

11.6 Liability

In all cases of contractual and non-contractual liability, bfa automation GmbH shall be liable only in accordance with the following provisions:

bfa automation GmbH shall be liable without limitation

- in cases of intent or gross negligence
- for injury to life, limb or health,
- in accordance with the provisions of the Product Liability Act, and
- within the scope of a guarantee given by bfa automation GmbH.

In all other cases, bfa automation GmbH shall only be liable for the breach of a material contractual obligation (cardinal obligation), the fulfilment of which is essential for the proper execution of the contract and on which the customer regularly relies, if the purpose of the contract is jeopardised thereby. However, the customer's claim shall be limited to the typical damage foreseeable at the time of conclusion of the contract. The same applies if the customer is entitled to claim damages instead of performance.

Any further liability of bfa automation GmbH is excluded.

The above limitation of liability shall also apply to the personal liability of the organs, representatives and employees of bfa automation GmbH.

11.7 Acceptance

Upon completion of the order, an acceptance protocol shall be drawn up listing any defects and change requests and specifying a time frame for their rectification.

Upon completion of the order, an acceptance protocol shall be drawn up listing any defects and change requests and specifying a time frame for their rectification.

The warranty period shall commence upon acceptance.

12. Assignment and right of retention

Neither party may assign its rights under this agreement without the prior consent of the other party. The Customer shall only be entitled to exercise a right of retention to the extent that its counterclaim is based on the same contractual relationship.

13. Cancellation information

Until final completion of the entire product, the customer is free to terminate the contract in whole or in part. The termination must be declared in writing or electronically, e.g. by e-mail or fax.

In the event of such a termination, bfa automation GmbH is entitled to demand the agreed remuneration, but with the deduction of saved expenses and other earnings.

Saved expenses in the aforementioned senses are those expenses which are avoided due to the non-execution of the contract, i.e. those expenses which bfa automation GmbH would have had to incur in order to execute the contract and which bfa automation GmbH no longer has to incur due to the customer's termination. The expenses determined in all contractual documents are decisive, taking into account the calculation. Expenses that would have been incurred even in the event of termination, in particular general overhead costs such as sales, development, regulatory requirements or general administrative costs, are not saved.

In addition, bfa automation GmbH must credit what it earns or maliciously fails to earn through the alternative use of its workforce. This includes in particular so-called "fill-in orders". In order for alternative earnings to be credited to the remuneration, they must clearly be caused by the customer's termination. This is not the case if bfa automation GmbH has concentrated its capacities on other existing contracts which could have been executed in parallel with the terminated contract. If bfa automation GmbH has received additional orders from third parties independently of the customer's termination, the proceeds from these orders shall not be credited if they could have been executed in addition to the terminated contract.

The right to terminate the contract for good cause remains unaffected. An important reason exists in particular if (a) the customer has seriously or repeatedly violated these terms and conditions or other contractual obligations despite a warning from bfa automation GmbH, (b) the customer is in arrears with the payment of an invoice despite at least two reminders, or (c) insolvency proceedings have been instituted against the customer's assets. Claims for damages shall remain unaffected.

14. Customer's obligation to cooperate

If parts provided by the customer are required for the installation and acceptance of the product, it is expected that these parts have the appropriate suitability, in particular that they meet the statistical CPK requirements demanded by the customer for the delivered product.

bfa automation GmbH is not responsible for the quality inspection of parts provided by the customer. Parts that do not comply with the applicable

standards, drawings and/or customer specifications will be returned at the customer's expense. The customer undertakes to enclose with the delivery a measurement protocol confirming the proper condition of the parts provided.

The customer shall provide operators for both acceptance runs at bfa automation GmbH and at the customer, and bfa automation GmbH shall provide technicians for maintenance and servicing for both runs, if included in the enclosed offer.

If the customer is unable to provide acceptable parts, measuring devices, operators, etc. for the final acceptance run within 30 days, the customer hereby agrees to grant final, unconditional acceptance and to pay the invoices currently due in accordance with the offer.

Costs incurred by bfa automation GmbH for on-site visits at the customer's premises shall be borne solely by the customer and are not included in the offer.

Furthermore, the customer shall provide measuring devices for measuring the qualification equipment and shall bring these devices to the acceptance test. The selection and determination of the necessary measuring devices/measurements are the sole responsibility of the customer.

15. Safety regulations

bfa automation GmbH takes all reasonable precautions to deliver products that meet or exceed applicable safety standards. However, it is the sole responsibility of the customer to ensure that the product is maintained and operated in a safe manner.

Proper training of personnel is essential for the safe operation and maintenance of the product. The responsibility for adequate training of personnel rests solely with the customer, unless otherwise expressly agreed.

Modifications to components or changes in the function or operation of the product may jeopardise its safety. Any changes or modifications made by the customer, or a third party will automatically void any warranty.

16. Confidentiality and non-competition clause

The customer confirms that neither it nor its executives, representatives, employees and affiliated companies as well as their respective executives, representatives and employees will disclose any protected and confidential information of bfa automation GmbH and bfa solutions ltd. during the term of this contract or at any time thereafter, unless bfa automation GmbH and bfa solutions ltd. have expressly authorised this in writing.

During the entire duration of the business relationship and for a period of two years after the termination of

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the business relationship, each party undertakes not to directly or indirectly entice away any executives, representatives or employees of the other party. In the event of a breach of this provision, the breaching party shall pay to the other party a contractual penalty in the amount of two gross annual salaries of the respective executive, representative or employee poached in violation of this obligation, unless the affected party has consented to the poaching in writing.

17. Environmental impact

It is the customer's responsibility to ensure that the product is operated in such a way that the environment is not endangered in any way. Waste products such as shavings, lubricating oils, coolants, etc. must be disposed of in accordance with current legislation.

18. General terms and conditions

The prices quoted herein are exclusive of all applicable taxes and duties.

All notices shall be in writing (in German or English) and shall be delivered personally during normal business hours or sent by registered mail to the addresses of the parties specified in the offer or to such other address or addresses as either party may from time to time notify to the other in writing in accordance with this provision. If such notice is sent by registered post, it shall be deemed to have been delivered on the fifth (5th) business day after posting. However, if postal delivery is interrupted by strike or other irregularities before the notice is deemed to have been delivered as aforesaid, it shall be effective only if delivered personally or sent by fax. If delivered personally during normal business hours, the notice shall be deemed to have been given on the date of delivery.

19. Severability clause

If any provision of this Agreement or its application to any party or circumstance is for any reason invalid or unenforceable to any extent, all other provisions of this Agreement and/or the application of such provisions to any party or circumstance shall remain unaffected and shall be valid and enforceable separately to the fullest extent permitted by law. The unenforceable provision(s) shall be deemed modified to the extent necessary to make them enforceable in a manner that best reflects the intentions of the parties.

20. Final provisions

The laws of the Federal Republic of Germany shall apply exclusively. The application of the UN Convention on Contracts for the International Sale of Goods is excluded.

The exclusive place of jurisdiction is the registered office of bfa automation GmbH. These General Terms and Conditions replace all previous versions.