

# **General Terms and Conditions of Carl Baguhn GmbH & Co. KG, Hamburg, Germany (“CBH”)**

## **1 General**

- 1.1 Conclusion of contracts and their execution shall always be subject to these conditions. Conflicting conditions of Customer are not recognized.
- 1.2 Offers/quotes are subject to change.
- 1.3 The indication of part numbers is for reference purposes only and does not necessarily imply that these are parts of the original engine manufacturer.
- 1.4 Customer is advised that according to the regulation (EC) No. 428/2009 (Dual Use), the export of goods with dual (civil and military) use from the customs territory of the EU is generally subject to approval. CBH assumes no liability for the granting of such a licence.

## **2 Risk Assumption and Duties of Care**

Items to be provided by Customer for the execution of the order must be delivered to the place of performance and collected there again at Customer's own expense and risk. They shall always be stored for the account and risk of Customer and shall be insured by Customer himself.

## **3 Price and Terms of Payment**

- 3.1 If Customer is an entrepreneur (§ 14 para. 1 BGB), the prices quoted are net ex works excluding value added tax, procurement expenses, freight and packaging, and in the case of personnel deployment also excluding travel expenses. If Customer is a consumer (§ 13 BGB), CBH will show the final price including VAT.
- 3.2 Unless a fixed price has been expressly agreed upon in writing or if the service is to be rendered within 4 months after placing of the order, CBH shall be entitled to a corresponding price increase in case of demonstrable cost increases (e.g. wages, material prices, public charges of any kind, costs of suppliers, etc.).
- 3.3 Prices are set in such a way that CBH will retain recovered materials without compensation.

- 3.4 Unless otherwise agreed, invoice amounts are due immediately without deduction.
- 3.5 During the performance of the order, CBH shall be entitled to issue partial payment invoices corresponding to the respective scope of the services performed.
- 3.6 If Customer is in default and does not remedy such default within a reasonable period of time, or if CBH becomes aware of circumstances after conclusion of the contract which make Customer's solvency or willingness to perform appear doubtful, CBH shall be entitled to revoke any payment periods granted and to demand advance payment or provision of security in the amount of the total order value prior to further execution of the order, or to withdraw from the contract and to demand compensation from Customer for expenses already incurred and services already rendered by CBH.
- 3.7 Customer shall only be entitled to withhold payments or to offset them against counterclaims to the extent that such counterclaims are undisputed or have been finally adjudicated.

## **4 Dates and Deadlines**

Dates and deadlines for execution are only binding if expressly agreed in writing. They shall be deferred or extended for the duration that Customer has not completely carried out any required contributory actions.

## **5 Warranty and Liability**

- 5.1 If Customer is an entrepreneur (§ 14 para. 1 BGB), warranty claims against CBH for defects of a delivered item shall become time-barred one year from the date of delivery, those resulting from the processing of an item one year after acceptance of the work performance. In other respects, the statutory warranty for defects shall apply with the proviso that damages may only be claimed under the conditions set forth in 5.2.
- 5.2 CBH shall be liable to the statutory extent under the German Product Liability Act (Produkthaftungsgesetz) as well as for damages of the following kind or resulting from the following circumstances:

- 5.2.1 injury to life, body or health;
- 5.2.2 breach of such obligations the fulfilment of which is essential for the proper performance of the contract and on the compliance with which the contracting party regularly relies and may rely. In the event of negligent causation, liability shall be limited to the damage foreseeable and typical for the contract at the time of conclusion of the contract;
- 5.2.3 breach of other contractual obligations, to the extent such breach is based on intentional or grossly negligent conduct of organs or executives of CBH or on intentional conduct of vicarious agents.
- 5.3 Any further liability of CBH is excluded.
- 6 Reservation of Title**
- 6.1 Until all claims of CBH against Customer (including possible balance claims from current account) have been settled, the goods shall remain the property of CBH ("Reserved Goods"). Processing or transformation shall be carried out for CBH as manufacturer. In the event that the Reserved Goods are combined or mixed, it is hereby agreed that the title to the uniform item shall pass to CBH in proportion to the value of the goods.
- 6.2 Customer may process or sell the Reserved Goods in the ordinary course of business. Pledging or assignment as security is not permitted.
- 6.3 Customer hereby assigns to CBH any claims arising from the resale or any other legal ground (insurance, unauthorized handling) in place of the Reserved Goods in full to CBH. CBH revocably authorizes Customer to collect the claims assigned for CBH's account. This authorization shall expire if Customer does not properly meet his payment obligations.
- 6.4 Customer shall store the Reserved Goods free of charge. In the event of third parties trying to seize the Reserved Goods, Customer undertakes to advise such parties of CBH's ownership and notify CBH immediately.
- 6.5 If Customer acts in breach of contract - in particular in case of default in payment - CBH shall be entitled to take back the Reserved Goods or to demand assignment of Customer's claims for return against third parties.
- 6.6 CBH shall release the securities on demand on demand to the extent that their value exceeds the claims secured by more than 20% on a sustained basis.
- 7 Applicable Law, Place of Performance, Venue**
- 7.1 All legal relations between CBH and Customer are exclusively subject to the laws of the Federal Republic of Germany.
- 7.2 If Customer is a merchant (per the German Commercial Code), a legal entity under public law or a special fund under public law, place of performance and venue shall be Hamburg.

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