

1. General provisions/scope of application

- 1.1. These general terms and conditions (GTC) apply objectively and exclusively to all purchase and supply contracts covering products and equipment marketed by ROTORCOMP Verdichter GmbH (hereinafter referred to as "ROTORCOMP"), including accessories and spare parts, and to service provision tasks, such as installation, maintenance, repair and training. Any other regulations, in particular contradicting terms and conditions of the customer, are considered only to be agreed as being applicable if they have been explicitly confirmed by ROTORCOMP, in writing, to be a replacement of these conditions. These GTC also apply if ROTORCOMP executes the delivery to him unconditionally, in knowledge and awareness of the customer's contradicting or deviating conditions.
- 1.2. These GTC are applicable, in personal terms, exclusively to business transactions involving entrepreneurs and with regard to any legal person governed by public law and separate funds under public law.
- 1.3. In the case of ongoing business relationships, these GTC apply in their specific applicable and valid version, and also without any special note or reference, to all future business, particularly in the case of spoken or telephone-based call-off or follow-up orders.
- 1.4. Business mail, such as order confirmations, invoices, credit notes, account statements and reminders for payment, printed in data-processing systems or sent by email by ROTORCOMP are valid and legally binding, even without signature.

2. Quotes and contract conclusion

- 2.1. Quotes submitted by ROTORCOMP are conditional and non-binding, subject to the reservation of delivery by ourselves, provided that no other explicit written agreement has been made. Orders become binding on the basis of a written order confirmation, unless the ordered provision has already been carried out or invoiced by ROTORCOMP. In electronic business transactions, the parties forego the application of the regulations stated in Section 312i, Clause 1, First Sentence No. 1 to 3 of the BGB (Bürgerliches Gesetzbuch, German Civil Code). Confirmation of the receipt of electronic orders (email) does not represent binding acceptance of the order. However, the receipt confirmation can be combined with the acceptance declaration. In the case of orders in electronic business transactions, the text of the contract will be saved by ROTORCOMP and can, upon request, be sent to the customer together with these GTC by email.
- 2.2. The product description produced by ROTORCOMP is considered to be agreed as the condition of the goods or service provision. For public statements, particularly in advertising, ROTORCOMP only needs to accept responsibility if they have themselves instigated these, and if the customer's decision to purchase had actually been influenced thereby. The details, drawings, illustrations, performance figures, dimensions and weights and other performance data contained in catalogues, price-lists, brochures, circulars, and in additional advertising, in other publications and in the quote, are approximately correct and are thus dimensionally limited, in the framework of that which is usual in the trade. These include guarantees only in the event that we have explicitly designated them as such in writing. References to standards (e.g. DIN and ISO) serve only to provide more accurate descriptions of the goods, and do not form the basis of a guarantee, unless specifically agreed to be the case.
- 2.3. ROTORCOMP reserves the right to carry out design changes to the equipment, without prior announcement, provided that they are customary and are acceptable to the contract partner. The customer is not entitled to demand that equipment already delivered be updated in the event of design changes within an ongoing series.
- 2.4. The property right and copyright, particularly the right to duplication and distribution, concerning illustrations, drawings, calculations and other documents that end up with the customer, in connection with a quote submitted by ROTORCOMP, remain the property of ROTORCOMP. These documents must not be made available to third parties, except in the case of proper onward sale, and must be returned to ROTORCOMP upon request in the event that the contract does not materialise or if it fails.
- 2.5. The customer is responsible for the correctness of the documents to be supplied by him, such as samples and drawings. If third party rights are infringed during production of the goods to drawings, samples or other customer data, the customer releases ROTORCOMP from any claims made by the property right owner.
- 2.6. If ROTORCOMP requires an export licence for the fulfilment of their performance obligation, then the contract will be created with the condition precedent that the export licence will be issued. ROTORCOMP is obligated to apply for a corresponding approval from the appropriate authority. ROTORCOMP will not be subject to any ongoing obligations in the event that the contract is rejected. The contract conclusion is effected under the condition precedent that the fulfilment of the contract by ROTORCOMP, or by companies associated with it, is not presented with any obstacles based on applicable domestic, foreign and international regulations for foreign trade legislation, embargoes or sanction stipulations.

3. Prices and payment conditions

- 3.1. The prices quoted by ROTORCOMP in quotes and price-lists are net prices (unpacked ex domicile ROTORCOMP); they do not include sales tax or any other taxes, customs duty, charges and state duties that are associated with the acquisition of the products in question by the customer. The packing, shipping costs, freight and transport insurance are charged separately. The confirmed prices are applicable only for the acceptance of the confirmed quantity. Deliveries and services provision not included in the quote (e.g. in the event of subsequent changes to the contract) will be charged separately.
- 3.2. If the list price at the time of delivery is greater than the price agreed with the customer, then this higher list price will be applicable, provided that no other explicit agreement has been made, if the delivery takes place later than four months from the contract conclusion, for reasons not attributable to the customer, unless the invoice has already been issued and has been paid by the customer.
- 3.3. Unless agreed otherwise, the purchase price is strictly net (without discount) and becomes liable for payment within seven days from the issue of the invoice (invoice date). Any different payment objectives are listed on the invoice. The customer must make payments exclusively to ROTORCOMP. ROTORCOMP reserves the right to demand payment in advance.
- 3.4. Acceptance of bills of exchange and cheques is subject to the agreement by ROTORCOMP, and will take place only as payment. Discount expenses and other ancillary costs are to the account of the customer.
- 3.5. If the customer ends up in arrears with payments that are due, ROTORCOMP is entitled to charge default interest in accordance with the legal regulations. The right to assertion of subsequent damages is reserved by ROTORCOMP. In addition, ROTORCOMP is entitled to hold back delivery from other customer orders. Provided that the payment of outstanding amounts is made, ROTORCOMP is entitled to carry out a new delivery, taking into account other delivery obligations, in accordance with reasonable discretion (Section 315 BGB).
- 3.6. If the customer does not meet their payment obligations (e.g. does not redeem a cheque or bill of exchange), or if insolvency proceedings have been applied for or have been instigated, ROTORCOMP is entitled to demand immediate payment for the entire receivable amount, irrespective of the running time of received bills of payment and not yet payable bills of payment. In addition, ROTORCOMP is entitled to execute outstanding deliveries only on the basis of payment in advance or a security. If the payment in advance or security is not executed, after setting an appropriate deadline, then ROTORCOMP is entitled to withdraw from the contract with regard to provisions not already executed, having the consequence that all claims the customer has in connection with deliveries not already made will expire. In these cases, ROTORCOMP is entitled to damage compensation or retention of title after the further measures of Section 8 below.
- 3.7. The customer is only entitled to offset if their counter-claims are recognised by declaratory judgement, are uncontested or are recognised by ROTORCOMP. Rights of retention and other rights to refuse performance can only be applied to ROTORCOMP if they are based on the same contractual relationship. Each individual order is to be considered as a separate contractual relationship, even if there is an ongoing business relationship. Notices of defects of any kind do not entitle to retention of payments unless the defects listed have been legally determined, are uncontested or are recognised by ROTORCOMP.

4. Delivery and acceptance

- 4.1. The deadlines and lead times quoted by ROTORCOMP for deliveries and service provision are only approximately definitive if they are agreed in writing subject to calendar stipulations. Quoted delivery periods always start from the despatch of the written order confirmation, but not before the furnishing of the documents to be provided by the customer and/or releases and not before receipt of the required official certifications or approvals and complete fulfilment of any other collaborative obligations. If the customer is obligated to payment in advance then the delivery period starts at the point of complete fulfilment of the advance payment at ROTORCOMP.
- 4.2. The delivery and service provision deadlines are considered to be met if the delivered object has left the ROTORCOMP factory or warehouse, or if the readiness for shipment has been advised to the customer or the service provision has been completed by the time the period has elapsed. ROTORCOMP is entitled to carry out part deliveries within a framework that is acceptable to the customer. If an acceptance needs to be carried out - except in the case of a justified right to refuse - the acceptance date or, alternatively, the statement of readiness for acceptance, are decisive.
- 4.3. If ROTORCOMP should be prevented from compliance with the agreed delivery dates by reasons not attributable to ROTORCOMP (for example by force majeure, interventions by high authorities, catastrophes, war, insurrection, strike action in their own works, in delivery systems, sub-suppliers companies or in the field of transport concerns), then ROTORCOMP shall inform the customer without delay. In this case, ROTORCOMP is entitled to catch up with the delivery after removal of the cause for the obstruction. If the delivery is delayed for more than four months, the customer is entitled to refuse to accept the delivery and to withdraw from the contract. The customer does not have any further rights or claims regarding non-delivery or late delivery for such reasons, even if these reasons only become applicable when the delivery date has already been exceeded or ROTORCOMP was already in arrears.
- 4.4. If the delivery and performance period is exceeded, the customer is entitled to the statutory rights. Delivery arrears only start in each case after expiry of the subsequent deadline set by the customer. There will be no claims to damages compensation resulting from delay, for whatever reason, provided that ROTORCOMP is not guilty of intent or gross negligence. If the delay in delivery is caused by intent or grossly negligent behaviour by ROTORCOMP, then the customer is entitled to demand lump-sum damages. It amounts to 0.5% of the net delivery value of that part of the complete delivery that cannot be used in good time or in accordance with the contract, per completed week, up to a maximum of 5% of the value. ROTORCOMP retains the right to prove reduced arrears damages to the customer. The above mentioned lump-sum damages must then be adapted to suit or the excess amounts received must be returned to ROTORCOMP.
- 4.5. If the customer ends up in acceptance arrears he is obligated to reimburse ROTORCOMP with the additional costs (in particular the storage costs) incurred as a result. ROTORCOMP is entitled to charge a lump sum amounting to 1.0% of the invoice value of the goods for this for each month started of the acceptance arrears. The customer is also entitled to prove that no additional cost, or only significantly less cost, was incurred compared to the lump sum, as it is the right for ROTORCOMP to charge such greater cost that was incurred instead of the lump sum. The right for ROTORCOMP to make additional legal claims (such as damages, withdrawal from the contract), if the relevant conditions are met, remains unaffected. The above mentioned lump sum will be added to the ongoing ROTORCOMP payment claims on the customer, as a result of their arrears.

If the acceptance arrears of the customer lasts longer than 5 working days, ROTORCOMP is entitled to, but not obligated to, take out a transport contract in accordance with normal traffic conditions at the risk and cost of the customer and to use this to transport the goods to the customer.

- 4.6. Compliance with the delivery and performance deadline presumes the fulfilment of the contractual obligations of the customer. He is obligated, upon request, to confirm, in writing, his readiness for acceptance and the execution of any required preparatory actions before the delivery. If he refuses or if he refuses to accept the goods, acceptance arrears will be entered and the above mentioned consequences will apply.
- 4.7. The ROTORCOMP delivery is carried out from the factory ("ex works", EXW). If the works is not specified otherwise in the individual order in this context, the delivery location is ROTORCOMP VERDICHTER GmbH Logistics Center c/o Vectra International S.R.L., Str. Vulcanului Nr. 26, 505100 Codlea / Brasov, Romania.

The actual delivery location for plant will be advised to the customer by ROTORCOMP in the framework of the indication of readiness for despatch, unless specified in the individual order. In the case of agreed delivery ex works, collection of the goods must be carried out before expiry of 5 working days from the receipt of the indication of readiness for despatch by the customer. If the collection of the goods by the customer, or at their behest, remains outstanding within this deadline period for a reason attributable to the customer, then the customer will be in debtor's default with regard to their obligation to collect the goods, in accordance with Section 286 BGB.

If, in a specific case, it is agreed to despatch goods to a different destination, this is done, subject to any explicit agreement to the contrary in that specific case, solely for practical reasons as an additional service. In particular, this does not constitute a change to the delivery location as the place of performance for our services, but rather the delivery location remains unchanged, and the customer is still responsible for the costs of packaging, shipping, and transport. In this case, ROTORCOMP is entitled to determine the mode of transport, the means of shipment, the transport route, the type and extent of the necessary protective measures, the selection of the freight forwarder or carrier, and the packaging. ROTORCOMP will carry out this determination with care and with due assessment of the circumstances at their liability, excluding or limiting ROTORCOMP's liability in accordance with clause 7 of these General Terms and Conditions. At the request of the customer, the shipment will be insured by ROTORCOMP at the customer's cost against theft, breakage, transport damage, fire damage and water damage and other insurable risks.

- 4.8. ROTORCOMP is entitled to delegate payment claims to third parties.
- 4.9. If the business is based on a service contract then the customer comes into default with acceptance of production if he does not carry out collection within a week of transfer, indication of readiness or issuing of the invoice. The acceptance is considered to be fulfilled if the customer takes the product into use without any complaints after transfer, completion indication or issue of the invoice, for a period of 14 days, and indicates this consequence to ROTORCOMP at transfer, in the completion indication or when the invoice is issued.

5. Transfer of risk

- 5.1. The risk of accidental perishing and accidental deterioration transfers to the customer as soon as the goods are made available by ROTORCOMP for collection or delivery ("ex works", EXW) and also if ROTORCOMP takes over additional services, such as the delivery or despatch costs. This applies also in the case where the goods are despatched to the customer in the event of customer acceptance default in accordance with 4.7. If a different type of delivery is agreed explicitly then the risk - even with free freight delivery or delivery free domicile - transfers to the customer upon transfer to the shipping company, freight concern or collection agent. It is only if ROTORCOMP themselves deliver that ROTORCOMP are responsible for the risk up to delivery at the point of reception. The above applies also to part deliveries.
- 5.2. Delivered objects are to be accepted by the customer, even if they are showing insignificant faults, and the rights in accordance with Section 6 remain unaffected. Complaints concerning transport damage must be made themselves by the customer, including those involving transport companies, freight concerns and their insurance companies, etc.

6. Warranty

- 6.1. Warranty claims exist only if the customer has fulfilled their legal duty to examine and requirement to give notice of defects (Sections 377, 381 HGB [Handelsgesetzbuch, German Commercial Code]). The customer is obligated to examine the goods properly upon receipt. All detected faults, incorrect quantities and incorrect deliveries must be immediately noted on the delivery note or on the freight ticket, latest five working days from receipt and, in every case, they must advise ROTORCOMP in writing before processing or installing. Otherwise the deliveries will be deemed to be approved. The customer will have the full burden of proof for all requirements for a claim arising from a defect, in particular for the defect itself, the time of its detection and the punctuality of the complaint.
- 6.2. If the delivered goods are installed by ROTORCOMP the acceptance by the customer must take place at the site of installation. If the acceptance is not declared, then it will be considered as being carried out if the delivered and installed goods are taken into operation by the customer. Any detected installation defects must be declared immediately to the technician or representative of

ROTORCOMP. Warranty claims will not be accepted after successful acceptance, provided that they do not refer to concealed defects.

- 6.3. The warranty period for screw compressors is two years, and also twelve months from the point of transfer of risk. If the customer obtains the goods for onward sale (maybe after processing), then the warranty extends by the time to onward sale, but to a maximum of six months. Customer claims for compensation for damages and/or reimbursement of expenses are also valid, even if there are defects, only in accordance with these GTC, and are otherwise excluded. The warranty does not cover damage caused by inappropriate and improper use, defective or improper installation or commissioning by the customer or third parties, wear and natural abrasion, defective or negligent treatment, the use of unsuitable operating media, improper storage and climatic, chemical, electrochemical and electrical effects, provided that they cannot be traced back to the responsibility of ROTORCOMP. The same applies to damage caused by non-observance of the installation, operating and maintenance instructions and by improper modifications or repair work by the customer or third parties and from the effects of parts of different origin and the continuing use despite the occurrence of an obvious defect. In the case of non-compliance with the installation or operating instructions, or recommended maintenance work, the customer is obliged to prove causation for the damage arising. The regulations concerning the limitation of recourse claims of the contractor on the supplier as per Sections 478, 479 BGB remain unaffected.
- 6.4. The warranty provision is the choice of ROTORCOMP and is limited to free-of-charge replacement or rectification within the European Union and the European Economic Area. Rectification ("supplementary performance") does not include either the removal of the defective goods or the installation of the new goods, unless ROTORCOMP was originally responsible for the installation. Provided that there is an actual defect, ROTORCOMP will cover the expenditure for the purposes of testing and supplementary performance, except for the costs for installation and removal, provided that they were not originally responsible for installation of the goods. The costs (such as the testing and transport costs) incurred in the event of an unjustified demand for defect rectification will be borne by the customer. In the event of a replacement delivery, the goods being the subject of the complaint will be transferred to be the property of ROTORCOMP at the point at which ROTORCOMP recognises the complaint. Additional costs incurred as a result of difficult access to the installation or inadequate working space, or as a result of deliveries to an area outside the European Union or the European Economic Area will be the customer's liability in all cases. If the customer should receive a defective installation instruction, ROTORCOMP is only obligated to provide a defect-free installation instruction. This obligation lapses if the defect in the installation instruction does not contradict proper installation.
- 6.5. If the customer decides to withdraw from the contract because of a defect after a failed attempt at supplementary performance he will not, in addition, be entitled to damages compensation. If he should choose damage compensation after a failed attempt at supplementary performance, then the goods remain with the customer, if this should be reasonable. Damage compensation is then limited to the difference between the purchase price and the value of the defective item. This does not apply if ROTORCOMP had caused the infringement of the contract maliciously or wilfully. The customer can only make damage compensation claims under the conditions quoted in Section 7.
- 6.6. The generation of a warranty obligation has, as a condition, the proper execution of the installation of the equipment and additional objects delivered by ROTORCOMP. The warranty obligation shall expire if the delivered goods are modified by third parties, parts of third-party origin are installed or other than Genuine Spare Parts, Lubricants and Consumables within the meaning of Section 11.1. of these General Terms and Conditions are used for operation, maintenance or repair. It lapses also if the customer ignores the regulations for commissioning, causing the defect as a result.
- 6.7. The warranty obligation lapses if ROTORCOMP is not given the required time or opportunity, after being made aware of the defects, to carry out the rectification or to make a replacement delivery which seems to be necessary to ROTORCOMP. Only in cases of urgency, where operational safety is at risk, or to prevent excessive damage, or if ROTORCOMP is in default with the rectification of the defect, does the customer have the right to rectify the defect themselves, or by a third party, and then to demand to have the necessary costs reimbursed by ROTORCOMP. Once again, in this case, a prerequisite is that ROTORCOMP be advised of the damage without delay. The right of the customer to rectify the defect themselves, or by a third party, is not available if ROTORCOMP is not obligated to appropriate supplementary performance in accordance with legal regulations.
- 7. General limitation of liability**
 - 7.1. In all cases of pre-contractual, contractual and extra-contractual (such as offences) liability, ROTORCOMP is liable to the customer for damage compensation or reimbursement of fruitless expenditure in the event of malice or gross negligence according to the legal stipulations.
 - 7.2. In other cases, not covered by Section 7.1, ROTORCOMP is liable to the customer - unless regulated otherwise by Section 7.3 - only
 - 7.2.1 in the event of damage as a result of a defect in the purchased item, if ROTORCOMP has accepted a guarantee for the condition of the item, or
 - 7.2.2 in the event of damage as a result of a defect in the purchased item, if ROTORCOMP has concealed the defect maliciously, or
 - 7.2.3 in the event of an infringement of a contractual obligation whose fulfilment actually makes possible proper execution of the contract and on whose compliance the customer regularly places their trust (so-called major obligations), whereby the liability of ROTORCOMP in this case is limited to replacement of the predictable and typical damage.
 In all other cases, the liability of ROTORCOMP with regard to the customer is excluded, subject to the regulation covered by Section 7.3.
 - 7.3. The above mentioned liability exclusions and liability limitations do not apply to damage caused by the infringement of life, the body and the health and in accordance with product liability law.
 - 7.4. If and to the extent that any damages are caused by the use of other than Genuine Spare Parts, Lubricants and Consumables within the meaning of Section 11.1. of these General Terms and Conditions for operation, maintenance or repair of the ROTORCOMP product concerned, ROTORCOMP shall not be liable
 - 7.5. Provided that the liability of ROTORCOMP is not excluded by the regulation in Sections 7.1 to 7.3, the liability of ROTORCOMP is limited to EUR 5 million for material damage and to EUR 50,000 for pecuniary loss.
 - 7.6. Insofar as the liability of ROTORCOMP is limited or excluded, this also will apply to the personal liability of employees, representatives and other vicarious agents of ROTORCOMP.
 - 7.7. The claims of the customer expire at the end of the warranty period quoted in Section 6.3, with the exception of damage resulting from infringement to life, body and health, damage resulting from wilful, malicious or grossly negligent behaviour, or as a result of the infringement of major obligations or claims based on product liability law; these claims lapse within the legal time period.
 - 7.9. The customer can only withdraw or terminate in the event of an infringement of obligations, that does not represent a defect in the goods, if ROTORCOMP is responsible for the infringement of the obligation.
 - 7.9. None of the above mentioned regulations form the basis for a change to the legal or caselaw burden of proof.
- 8. Retention of title**
 - 8.1. Property rights to equipment and other delivered objects is transferred to the customer only after full payment of all the demands arising from the existing or future business connection with ROTORCOMP, including ancillary demands (current account reservation). The issuance of bills of exchange and cheques has the agreement by ROTORCOMP as a prerequisite and does not represent fulfilment of outstanding demands, but rather it takes place as conditional payment. Discount expenses and other ancillary costs are to the account of the customer.
 - 8.2. The customer is obligated to handle the delivered goods with care and to insure them, at their own cost, against fire damage, water damage and theft and vandalism at the cost as new. The insurance policy must be made available to ROTORCOMP for inspection, upon request. The customer, even at this point, assigns the claims on the insurer to ROTORCOMP; ROTORCOMP accepts this assignment. In addition, ROTORCOMP declares the re-assignment of these claims to the customer

under the condition precedent of the expiry of the retention of title as a result of complete payment of all demands by ROTORCOMP. If maintenance and inspection work is required, the customer must carry them out at their own cost in good time.

- 8.3. The customer is entitled to process and dispose of the delivered goods in a proper business procedure. The processing or restructuring of the delivered goods by the customer is always carried out for ROTORCOMP. If the delivered goods are processed along with other items that do not belong to ROTORCOMP, then ROTORCOMP acquires joint ownership of the new item in the ratio of the value of the delivered goods to the other processed items at the time of processing. The customer will assign his claim from such onward disposal to ROTORCOMP in the ratio of the joint ownership of ROTORCOMP of the item disposed of. If the customer cancels his demand for a current account, he will assign his demand from the closing balance to ROTORCOMP, limited in value to the part of the demand of the customer that corresponds to the joint ownership of ROTORCOMP of the item disposed of. ROTORCOMP will accept the assignment.
- 8.4. In the event that the value of the collateral in accordance with Sections 8.1 and 8.3 exceeds the value of the secured (assigned) demands, not just temporarily, to more than 20% (cover limit), then ROTORCOMP is obligated, at the request of the customer, to release securities to the value of the excess security. ROTORCOMP has a right to choose in the selection of the collateral to be released.
- 8.5. The evaluation of the collateral is carried out on the basis of the realisable market or stock exchange price. If this is not available or cannot be determined, then the (sales) list price from ROTORCOMP can be used as an alternative. If this also cannot be determined then the manufacturer's price is definitive.
- 8.6. The customer is not entitled to hypothecation, chattel mortgaging and comparable security measures. In the event of attachment and other charges by third parties, he must inform ROTORCOMP without delay, so that ROTORCOMP will be in a position to file third party proceedings in accordance with Section 771 of the court of civil procedure (Zivilprozessordnung = ZPO). Provided that the third party is not in a position to reimburse ROTORCOMP with the judicial and extrajudicial costs of the action in accordance with Section 771 ZPO, then the customer will be liable to ROTORCOMP for the resulting default.
- 8.7. If the collateral is disposed of in accordance with the above mentioned authorisation, then the customer will now assign all demands arising therefrom on his contract partner for the securing of all existing and future demands from the business connection with ROTORCOMP to ROTORCOMP. ROTORCOMP will accept this assignment. If ROTORCOMP only has part ownership of the collateral, then the customer will assign a part demand to ROTORCOMP for securing to the level that represents the ratio of the part ownership of the entire item.
- 8.8. If there is a non-assignment clause between the customer and his contract partner, then the customer is not authorised to dispose of the collateral, unless the demand from the disposal of the collateral is recorded in a current account relationship. In this case the customer assigns the current account demand (causal balance) on the third party to ROTORCOMP in accordance with Section 8.7. After the balancing has been carried out, it is replaced by the recognised balance that applies up to the value of the assignment that amounted to the original current account demand.
- 8.9. ROTORCOMP authorises the customer, revocable, to collect the demands assigned to ROTORCOMP. The collection authorisation lapses, without the need for rescinding, as soon as the customer becomes overindebted and/or unable to pay, he is under threat of insolvency or there is a significant deterioration in his assets. When the collection authorisation lapses, the customer is obligated to advise the third-party debtor in writing without delay of the assignment of the demands to ROTORCOMP, and to advise ROTORCOMP of the assignment declaration. The customer is also obligated, upon request, to make available to ROTORCOMP all the information and documents for the enforcement of the assigned demands.
- 8.10. In the event that the realised value of the assigned demands exceeds the value of the secured demands from ROTORCOMP, not just temporarily, to more than 20%, then ROTORCOMP is obligated, at the request of the customer, to release demands to the corresponding value. ROTORCOMP has a right to choose in the selection of the demands to be released.
- 8.11. The right to rescind the authorisation for processing and disposal of the collateral, the collection authority for the demands assigned by way of security and the right to exploit the securities is only available to ROTORCOMP if the customer is in arrears with his payment obligations, there is an application to open insolvency proceedings against him or if the customer has finally suspended his payments.
- 8.12. In all cases in Section 8.11, the customer is obligated to advise ROTORCOMP of the name and address of the third-party debtor for the assigned demands without delay and to make available all documents required for enforcement of the demands. He must advise the third-party debtor of the collateral assignment without delay.
- 8.13. ROTORCOMP is entitled to withdraw from the contract and to reclaim the goods if the customer enters payment arrears or if he infringes his obligations from this Section 8.
- 9. Copyrights and violations of proprietary rights**
 - 9.1. The customer undertakes not to make, or have made, copies or reproductions of the ROTORCOMP products. He recognises that the ROTORCOMP products are protected by patents and other commercial proprietary rights against copying and reproducing. Infringement of these rights may have considerable criminal justice consequences and would form the basis for ROTORCOMP to make claims on the customer for damage compensation and injunctive relief.
 - 9.2. If the scope of supply includes operating software that requires a licence, then ROTORCOMP will provide the customer with a single non-exclusive right, upon payment of their invoice in full resulting from the delivery, which can be used exclusively and only in connection with the associated hardware, to use the software in the program status applicable at the time of the delivery (release) on the delivered equipment. There are special licence stipulations for user software that will be provided to the customer with the software. The customer is obliged to install and use the software exclusively in the framework of the granted permissions.
 - 9.3. The customer recognises the fact that the software includes, or can embody, trademark rights, know-how and other intellectual property and that these rights are the property of ROTORCOMP or their sub-suppliers. In a similar way, the working documents for training courses are copyright protected and may only be duplicated - even as extracts - with the explicit written approval of ROTORCOMP.
 - 9.4. If third parties make a claim on the customer because of infringement of proprietary rights by the use of a product assigned by ROTORCOMP, then the customer must advise ROTORCOMP of this in writing and without delay. ROTORCOMP will fulfil, repeal the claims or end the disputes by mutual settlement, at their own cost and after prior agreement with the customer in accordance with the measures in Section 7 of these GTC. The customer must support ROTORCOMP in its defence in any reasonable way. ROTORCOMP will cover all financial charges in accordance with the regulations in Section 7 of this GTC that arise from a judgement against the customer, including those awarded to a third party and the legal costs. In accordance with the measure quoted above, ROTORCOMP will cover the costs of a mutual settlement if ROTORCOMP agrees to the mutual settlement. The customer and ROTORCOMP will agree amicably about the legal defence to be adopted and about the mutual settlement negotiations. The customer will issue ROTORCOMP with any necessary powers in each individual case.
 - 9.5. If ROTORCOMP comes to the conclusion that a product may possibly be the objective of a claim for infringement of industrial property rights then ROTORCOMP is entitled to choose
 - to negotiate, at their own cost, for the right for the customer to continue to use the product,
 - to replace or to modify the product, at their own cost, to an acceptable extent, so that it no longer infringes third-party rights;
 - to take back the operating software, equipment or parts and to reimburse the customer with the purchase price, less an appropriate usage charge.
 - 9.6. ROTORCOMP will not enter any obligations if the operating software, machines or parts thereof have been changed by the customer or if they have been connected with programmes or data not provided by ROTORCOMP, and from which third-party claims arise.

10. Ban on use and export restrictions

- 10.1 The customer is not entitled, without explicit prior issuing of a written approval, to use ROTORCOMP products in connection with the operation or maintenance of
- an installation in which atomic power is used,
 - mass transit installations,
 - installations for airspace monitor or aircraft
- or to provide them to a third party for purposes of such use. The regulations of this section do not apply to flight simulators.
- 10.2 The goods are intended for final retention in the country of delivery agreed with the customer and must not be exported from that country without explicit prior issuing of a written approval of ROTORCOMP. If ROTORCOMP issues this approval the customer is obligated to ROTORCOMP to comply with the specific national and international stipulations for export and re-export control law, in particular those of the Federal Republic of Germany, the European Union and the United States of America.
- 10.3 The customer must check and ensure at any time that (direct or indirect) transfer of the goods, or the (direct or indirect) brokerage of contracts concerning the goods or related services, or any other activity in connection with the ROTORCOMP goods, the export control regulations of the Federal Republic of Germany, the European Union and the United States of America are not infringed. In addition, the customer is obligated to check and ensure at any time that the goods, when transferring them, are not intended for use in connection with armaments, nuclear technology or weapons, provided that is no corresponding approval in evidence.
- 10.4 The customer must comply with all regulations concerning the pertinent sanctions-related legal instruments, particularly those of the Federal Republic of Germany, the European Union, the United Nations Security Council and those of the United States of America, concerning commercial dealings with the persons, companies, organisations and/or states quoted therein. The customer ensures that the delivered goods (neither directly nor indirectly) are not made available to a natural person or legal entity, an organisation and/or corporate body subject to sanctions in accordance with national and international stipulations, particularly of the Federal Republic of Germany, the European Union, the United Nations Security Council and the United States of America, and that the delivered goods will not be supplied, directly or indirectly, to a country or region subject to sanctions in this sense. If the customer becomes aware of sanction-related conditions in connection with ROTORCOMP goods, he must inform ROTORCOMP without delay.
- 10.5 The customer will advise ROTORCOMP, at their request and without delay, of all information regarding the final recipient, the end-use and the application and the relevant export restrictions, in particular also in the form of an End-User Certificate - EUC.
- 10.6 In the event of an infringement of the stipulations under this heading by the customer, his legal representatives, employees or other appointees, ROTORCOMP is entitled to terminate the business relationship with the customer. The customer absolves ROTORCOMP from all obligations, losses, demands, expenditure, costs, damages and claims that arise from non-compliance with these stipulations by the customer.
- 10.7 The customer shall not sell, export, or re-export, directly or indirectly, to the Russian Federation or Belarus or for use in the Russian Federation or Belarus any goods or technologies supplied under or in connection with this Agreement that fall under the scope of Article 12g of Council Regulation (EU) No 833/2014 or Article 8g of Council Regulation (EC) No 765/2006.
- 10.8 The customer shall ensure that the purpose of paragraph (10.7) is not frustrated by any third parties further down the commercial chain, including by possible resellers, for example by imposing rules and restrictions with similar effects on parties further down the commercial chain and by regularly controlling such parties' compliance with these rules and restrictions.
- 10.9 The customer shall set up and maintain an adequate monitoring mechanism to detect conduct by any third parties further down the commercial chain, including by possible resellers, that would frustrate the purpose of paragraph (10.7).
- 10.10 Any violation of paragraphs (10.7), (10.8), or (10.9) shall constitute a material breach of an essential element of this Agreement, and ROTORCOMP shall be entitled to seek all legal remedies (for example: damages, claims for cease and desist) as well as the following contractually agreed remedies:
- termination of this Agreement; and
 - for each case of infringement, a contractual penalty to be paid by the customer, the amount of which ROTORCOMP may determine at its reasonable discretion, whereby the reasonableness is reviewed by the competent court in the event of a dispute (Section 315 of the German Civil Code). The obligation to pay a contractual penalty does not apply if the customer is not responsible for the infringement. Contractual penalties paid under this agreement shall be offset against ROTORCOMP claim for damages.
- 10.11 In the event that claims are asserted by third parties (including fines imposed by authorities) against ROTORCOMP due to the customer's violation of paragraphs (10.7), (10.8), or (10.9), the customer undertakes to indemnify ROTORCOMP in full against all claims and to reimburse it for all costs of legal defense and to compensate it for any further damages incurred as a result of the claim. This does not apply if the customer is not responsible for the violation.
- 10.12 The customer shall immediately inform ROTORCOMP about any problems in applying paragraphs (10.7), (10.8), or (10.9), including any relevant activities by third parties that could frustrate the purpose of paragraph (10.7). The customer shall make available to ROTORCOMP information concerning compliance with the obligations under paragraph (10.7), (10.8), and (10.9) within two weeks of the simple request of such information.
- 10.13 In the event of an identified violation and in the event of suspicion of a violation of compliance with paragraphs (10.7), (10.8), or (10.9) ROTORCOMP is entitled to verification by means of an audit on the customer's premises and by a person which is bound to confidentiality. Such an audit will be conducted during regular business hours after an appropriate amount of advance notice (at least two weeks) and in compliance with applicable law, particularly with regard to data protection and competition law. The customer is not obliged to grant access to its business secrets or any confidential documents of any third parties towards which the customer is obliged to maintain confidentiality. For the avoidance of doubt, the customer is obliged to grant access to its agreements with third parties in the meaning of paragraph (10.8) above, in particular possible resellers, while the customer is allowed to blacken price-related provisions of such agreements.
- 10.14 The above-mentioned stipulations apply only to the extent that they do not infringe Section 7 of the German Foreign Trade Ordinance (*Außenwirtschaftsverordnung*) or Article 5 of the Regulation (EU) No. 2271/96.

11. Spare Parts, Lubricants and Consumables

- 11.1 The customer is obliged to use only spare parts, lubricants and consumables offered by ROTORCOMP ("Genuine Spare Parts, Lubricants and Consumables") for the operation of or maintenance or repair work on ROTORCOMP products.
- If the customer uses other than Genuine Spare Parts, Lubricants and Consumables for the operation of or for maintenance or repair work on ROTORCOMP products, this may not only result in the loss of warranty claims, but may also cause that ROTORCOMP is not liable for any resulting damage.
- 11.2 If and to the extent that ROTORCOMP grants a guarantee for ROTORCOMP products, such guarantee shall lapse if the customer uses other than Genuine Spare Parts, Lubricants and Consumables for the operation of or maintenance or repair work on ROTORCOMP products in violation of clause 1. above."

12. Confidentiality

- 12.1 In the course of the business relationship, the parties may have access to confidential or legally protected information concerning the other party, in each case ("confidential information"). Confidential information is all information made available, directly or indirectly, by a party or being revealed in their order ("revealing party") and which are marked as being confidential or, from the type of information or the conditions under which it is revealed, can be reasonably considered to be confidential or legally protected, including product specifications, pricing structures, data, quotes, business models, marketing plans and strategic plans, customer and employee information, financial information, software, reports and forms from the revealing party.
- 12.2 The party that receives the confidential information from the other party ("receiving party") pledges to use this confidential information exclusively for the fulfilment of their specific (contractual) obligations, and will take appropriate measures to prevent unauthorised revelation or use thereof; this must at least include those measures which the receiving party takes to protect their own similar confidential information, and the processing of the confidential information with compliance with the legal and contractual regulations concerning data protection. This last item also includes the technical safety measures adapted to the current state of the art technology (Art. 32 GDPR) and the obligation of the employees to the confidentiality and observance of data protection (Art. 28 Clause 3 lit. b GDPR). Each individual receiving party pledges not to reveal the confidential information from the revealing party to their employees and appointees or advisers, except for those who need to know this information and/or who are already legally obligated to safeguard the confidentiality of this information. The receiving party is permitted to reveal confidential information if such revelation is required in accordance with applicable law, the ruling or demand from a court, an administrative body or a different state authority; this applies only with the proviso that the receiving party advises the revealing party of this in advance and within an appropriate period of time. The above mentioned obligation does not apply if (i) the confidential information is generally known to the public and made available publicly and is not the fault of the receiving party; (ii) the confidential information is already in the possession of the receiving party without confidentiality obligation at the point in time of the revelation by the revealing party; (iii) the confidential information is forwarded to the receiving party by a third party without infringing the confidentiality obligations of this third party; (iv) the confidential information is made available to anybody or is generally available without infringing the confidentiality obligations; (v) the confidential information is developed independently by the receiving party without using reference to confidential information from the revealing party.
- 12.3 Existing confidentiality agreements will be come void at the end of this contract and will be replaced by the confidentiality stipulation in accordance with this Section 11.

13. Information obligations in accordance with GDPR

The customer is obliged to inform his employees that are involved in the framework of the business processing or the otherwise involved persons as follows: In accordance with the appendix "Information obligations in accordance with the general data protection regulation (GDPR)", which can be accessed on the ROTORCOMP homepage using the link <https://www.rotorcomp.de/customer-support/downloads/>, in order for the compliance of the persons covered by the general data protection regulation (GDPR). The information obligations shown here are, as an appendix, an integral constituent of these GTC.

14. Final provisions

- 14.1 German law is applicable exclusively between the parties. The stipulations of the United Nations concerning contracts covering international purchase of goods (CISC) and the regulations for Private International Law are excluded.
- 14.2 The customer is only entitled to offset counter-claims if his counter-claims are recognised by declaratory judgement, are uncontested or are recognised by ROTORCOMP. Rights of retention and other rights to refuse performance can only be applied to ROTORCOMP if they are based on the same contractual relationship. Each individual order is to be considered as a separate contractual relationship, even if there is an ongoing business relationship.
- 14.3 The customer is not entitled to enforcement of a right to refuse performance in accordance with Section 320 BGB or a right of retention in accordance with Section 273 BGB, unless these rights are based on a defect in the purchased goods for which ROTORCOMP has already received a partial payment that corresponds to the value of his service, or that are based on counter-claims by the customer that are uncontested, determined by law or recognised by ROTORCOMP.
- 14.4 The place of performance for all claims arising from the business relationship is Germering in the vicinity of Munich, Germany. If the party to the contract is a trader, a legal entity under public law or a special fund under public law, then the court of jurisdiction for all claims resulting from, and associated with, the business relationship is Munich (District Court Munich I).
- 14.5 If a stipulation from these terms and conditions be ineffective, or become ineffective, in total or in part, then this will have no effect on the effectiveness of the other stipulations.
- 14.6 All earlier general terms and conditions now become invalid.

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