

General terms and conditions of trade **of the HNPM Corporation (as of: October 2019)**

§ 1 Scope

These General Terms and Conditions ("Terms and Conditions") shall apply to all sales, deliveries, advice, offers, services and performances provided by HNPM Corporation (hereafter referred to as " HNPM"), and shall govern the entire business relationship between HNPM and the customer and include the following express provisions. There are no other written agreements between the parties which apply to this transaction. These Terms and Conditions and all benefits and obligations hereunder apply only as between the customer and HNPM and are not transferable or assignable in whole or in part without HNPM prior written consent.

Any customer purchasing conditions which conflict with any portion of our Terms and Conditions or the legal regulations in whole or in part are herewith expressly rejected unless HNPM has expressly agreed to their validity in writing. The conflicting terms and conditions of trade will only be deemed valid when HNPM fully performs without reservation in the knowledge of such conflicting or differing conditions.

If our customer is given an offer without details of our Terms and Conditions, or if these are only given to him at a later date, they will apply nevertheless, as he will be deemed to know them or have known them from previous business dealings.

§ 2 Offer

Our offers are always provisional and not binding and are understood to be dependent on supply from our suppliers. An order is only accepted and a contract only comes into effect when a written confirmation accepting our customer's order is provided by HNPM, or, in the event no confirmation has been received, when the delivery is received by the customer.

The composition of the contracted goods is defined exclusively by the contract negotiations with our customers and is not to be taken from other commercial statements, brochures, consultations and the like which are merely for informational and illustrative purposes.

Descriptions and specifications in brochures, catalogues and documentation as well as models, materials and designs are all subject to technical and stylistic modifications as a result of technical progress and further development. Any such variations will not result in any liability whatsoever on our part and HNPM expressly disclaims any obligation to inform its customers of any changes or modifications thereto unless and until it has agreed upon such specifications with the customer in writing.

§ 3 Prices

Unless otherwise specified or agreed upon separately all prices are US Dollar prices free carrier (FCA, INCOTERMS 2010), excluding freight, packing, insurance and the respective legally applicable sales tax. Any negotiated deviation from this must be confirmed in writing. If, after the contract has been made, changes occur in the basis of the price calculation, through higher labor and material costs, an increase in sales tax or other factors, particularly technically-based calculation changes, then HNPM is entitled to increase the contract price in reasonable proportion with the change of condition.

For orders under USD 100 value of goods (excluding shipping costs) a minimum quantity surcharge USD 75 will be charged.

§ 4 Delivery and performance dates / Force majeure

Dates and deadlines given by HNPM are not binding unless agreed otherwise and stated explicitly in writing. Unless so agreed in writing, delivery dates are merely estimated and may be altered or revised without notice. HNPM shall not be liable to customer for any loss or damages suffered directly or indirectly as a result of any delay or change in estimated delivery date or terms.

All delivery dates are subject to correct supplies being obtained on time.

HNPM will not be held liable for delayed deliveries and/or performances due to unforeseen circumstances and obstacles resulting from a force majeure and/or due to any events making its performance significantly more difficult, or impossible, including for example and without limitation, Acts of God, elements, war, acts of belligerence, blockade, insurrection, riot, terrorism, disorder, political disturbance, act of government, fire, flood, breakdown of machinery, shortages, difficulties in acquiring materials, non-delivery or delayed delivery by suppliers of materials to HNPM, operational problems, strikes, lockouts, the non-issuance of official permits or any other similar circumstance or other cause beyond our control, even if deadlines and/or dates have been fixed. This applies similarly if any such circumstance occurs in the operational spheres of our suppliers or their subcontractors. Such delayed deliveries and/or performance will entitle HNPM to postpone any delivery and/or performance by the duration of the restraint or withdraw fully or partially from the unfulfilled part of the contract without entitling our customer to any compensation.

HNPM retains the right to make and charge for partial deliveries.

HNPM reserves the right to refuse to make delivery of any order (or any part thereof) if and so long as customer has failed to make any payment due, whether under this or any other order.

§ 5 Transport and risk transfer

Transportation is entirely the responsibility of and at the cost of the customer.

Any risk is passed to the purchaser the moment of dispatch, when the consignment is given to the carrier or otherwise leaves our premises.

If transport is delayed or proves impossible through no fault of ours, the risk of loss is transferred to the purchaser the moment they are notified that the consignment is ready to ship.

Unless explicitly instructed to the contrary by the purchaser, HNPM will arrange adequate insurance to cover damage during transportation. Insurance will be provided by an insurance company chosen by HNPM in the name and on behalf of the customer. HNPM will not be held liable for any damage during transportation which is covered by this insurance. Any customer complaints about damage during transportation should be sent immediately in writing to the transport firm and a copy forwarded to HNPM without delay.

§ 6 Warranty and liability

The agreed upon specifications of the goods ordered or purchased from HNPM are defined entirely by the contract negotiations with the customers and are not to be taken from other commercial statements, brochures, consultations and the like. This is in no way deemed to constitute a warranty of any kind.

HNPM provides advice to the best of its knowledge, based on its experience but without any liability. HNPM provides no warranty for information about suitability or use of the contracted goods if it is not expressly part of the negotiated specification. This does not relieve customers from making their own independent investigation.

HNPM accepts liability for delivery defects with the following exceptions:

- a) The customer is obliged to inspect the contracted goods carefully, immediately on receipt. If the contracted goods have any obvious defects these are to be clearly specified in writing immediately on receipt (and in no event later than 7 days) and before the item is used.
- b) If no complaint of this kind is lodged then the order is regarded as delivered complete and correct. Defects which are not recognized at first despite thorough examination are likewise to be reported to HNPM within 7 days the defects became known. If a fault report is not sent in a timely manner, then the contracted goods will be considered as approved.
- c) HNPM provides a warranty commencing with the transfer of risk as indicated at the end of this clause or as indicated in the order confirmation. This is not affected by possibly shorter or longer warranty periods provided by our suppliers. Agreements which do not comply with this regulation (e.g. for longer warranty periods) are to be made in writing. A prerequisite for this is that the product is returned to HNPM. HNPM provides no on-site repair. Defects will be rectified by repair or replacement as HNPM chooses. HNPM retains the right to entrust this work to a third party. Our customer is to provide reasonable time and opportunity for the rectification of the defects. If this is refused, or if the above delivery conditions are not met, the customer loses all his warranty rights against HNPM.

If rectification fails more than once our customer has the right to cancel the contract or demand a reduction. If a repair is made during the warranty period, then HNPM provides a warranty for the repaired parts for further 12 months from completion of the repair. Once again this is conditional on the products being delivered to HNPM. Any further claims against HNPM or its representatives, on whatever legal basis are inadmissible, unless HNPM has acted negligently or personal injuries are involved.

- d) HNPM accepts no liability for defects or adaptations to the goods supplied which result from any improper intervention by the customer or a third party, or the use of parts not authorized by HNPM, from normal wear and tear, or from improper use of the goods. The obligation of HNPM to provide a warranty shall not apply if faults in or changes to the supplied goods are attributable to incorrect action or installation by the customer or a third party of spare parts not authorized by HNPM. Also, HNPM accepts no liability for normal wear and tear of hardware components, or similar, and the natural wear and tear of basic parts when used as stipulated in the contract.

HNPM warrants that it has good title to the goods and that the goods will be free from defects in material and workmanship at the time of delivery for shipment. Except as set forth above, this is the only warranty or representation, and the sole basis for liability respecting quality, performance, defects, repair and delivery of the goods.

This undertaking by HNPM is exclusive and is in lieu of all other warranties, whether written, oral, express or implied, including any implied warranty of merchantability or of fitness for a particular purpose. HNPM's liability arising out of the sale, use or operation of goods, whether on warranty, contract, negligence or otherwise (including claims for consequential damages) shall be strictly limited to the provisions of this agreement. HNPM shall not be liable to customer for any loss, damage, claim, liability, expense, or penalty, or for any indirect, special, secondary, incidental, or consequential damages however or whenever the same may arise. HNPM's liability shall not in any event exceed the cost of furnishing a replacement for the defective goods. The foregoing shall constitute HNPM's sole liability to customer or its vendees.

Warranty periods for new system

If no other warranty period is specified for individual products and components, the following warranty applies:

- a) Twelve (12) months from date of shipment from HNPM (excluding wear and tear parts)
- (b) Warranty periods for service and repair orders, for individually ordered replacement parts as twelve (12) months

Note:

The warranty obligation of HNPM is voided if the delivered equipment has been tampered with by the customer or third parties, or if spare parts which have not been authorized by HNPM were installed. The warranty obligation is also voided if an error or defect is due to regular wear or improper use of the goods. This especially applies to the usual wearing of hardware components or comparable parts subject to natural wear during use in conformance with the contract.

§ 7 Security Interest

HNPM shall retain a security interest in the goods until the purchase price has been paid in full and until all supplier claims against the customer have been satisfied. At the request of HNPM, customer agrees to undertake a UCC-1 financing statement filing for all HNPM products, which is in its possession and not fully paid for.

§ 8 Payment

Unless otherwise agreed upon elsewhere in writing our invoices are due for payment in full within 14 days.

Despite customer's provisions to the contrary, HNPM is entitled to offset claims for outstanding invoices with payment for current invoices. If charges or interest have already accumulated, payment shall be offset with, first, charges and, second, interest and, finally, with the balance due.

Payment shall be deemed credited when the amount is at the supplier's disposal. On default of payment by the customer, HNPM may charge interest at the current prime rate plus 5% for past due receivables including sales tax, as well as late fees, collection costs and reasonable attorneys' fees and expenses.

If the customer does not fulfill his or her financial obligations pursuant to the contract, if the customer suspends payments or if HNPM becomes aware of other circumstances, which cast doubt on the credit worthiness of the customer, HNPM will be entitled to declare the entire outstanding debt due and to demand advance payments for future deliveries or other security payments.

The customer is only entitled to offset claims if HNPM expressly agrees to such offset.

§ 9 Rights of protection and copyright

Programs and their documentation provided by HNPM are solely for the use of the purchaser within the legal framework of a single non-transferable license which applies to products delivered by HNPM. The purchaser is not allowed to make these programs and documentations available to any third party without prior written consent. The same applies to any resale of our hardware. Making copies is only permissible for archive purposes, or where a replacement is required or for finding defects and HNPM accepts no liability for such copies. Where originals have a copyright mark, the purchaser is obligated to reproduce this on the copies too.

§ 10 Customer's data

The customer grants HNPM his express agreement to the automatic electronic processing of data required for order processing which is relevant to the contractual relationship.

§ 11 Export

The products and technical know-how are intended to remain and be used in the country agreed with the purchaser. This is irrespective of the customer's obligation when reexporting contracted products – individually or integrated within a system - to obtain the necessary permits and to be subject to the export regulations of the United States of America, or those of the other agreed upon country to which the goods are delivered. The customer is responsible for obtaining knowledge of all of these regulations. It is his responsibility to acquire the necessary permission from the relevant export/import authorities before exporting such products.

§ 12 Applicable law/Consent to jurisdiction and venue

These terms and conditions are governed by and construed in accordance with the laws of the State of Illinois, without regard to its choice of law principles. Each of the parties hereto irrevocably submits to the jurisdiction and venue of any court (Federal or State) located within the State of Illinois.

§ 13 Non-waiver

Failure by HNPM to insist upon strict performance of any of the terms and conditions, or delay in exercising any of its remedies, shall not constitute a waiver of such terms of conditions or a waiver of any breach, or any remedy thereof.

§ 14 Assignment

Customer shall not assign any benefits or rights under these terms and conditions without HNPM's written consent. Any assignment in breach of the terms and conditions shall be void and HNPM shall be entitled to forthwith determine these terms and conditions without prejudice to any of the claims, entitlement or rights of HNPM.