



General Terms and Conditions of Sale, Delivery and Payment of TSE Systems Inc

1. General scope of application and

The following Terms and Conditions of Sale, Delivery and Payment (hereinafter referred to as "T&Cs") are an integral part of all our sales and delivery contracts with customers who are not consumers within the meaning of Section 13 para. § Section 13 (1) of the German Civil Code (BGB), but are, for example, companies, legal entities under public law or special funds under public law (hereinafter "Customer"). These GCSD expressly do not apply to legal transactions with consumers within the meaning of Section 13 (1) BGB.

All our deliveries, services and offers are made exclusively on the basis of these GTSD, which shall also apply to all future deliveries and services to the customer, even if they are not separately agreed again. Conflicting terms and conditions of our customers are excluded, even if we do not expressly object to them.

2. Conclusion of a contract

All our pre-contractual information (e.g. in information material, advertisements, advertising statements, technical documentation and other documents or product descriptions - including in electronic form) is an invitatio ad offerendum in the legal sense. The information contained therein is always non-binding with regard to quantity, delivery time, delivery capability, price and other features and performance characteristics of the products, unless we expressly designate them as binding in writing.

The binding offer to enter into a contract only exists when the customer places an order. Incoming online orders are also considered an offer in the legal sense. We can accept any order within 30 days of receipt either by written order confirmation or implicitly by delivering the products to the customer.

Our legal relationship with the customer shall be solely by the resulting purchase contract, including its annexes. All commitments/agreements between the parties regarding the subject matter of the contract are set out in full in the purchase contract and its annexes. Any verbal promises/agreements prior to the conclusion of the purchase contract shall be replaced by the purchase contract and its annexes, unless it is expressly stated in the purchase contract that previous verbal promises/agreements shall continue to be binding.

3. Delivery and performance

Delivery periods and dates shall only be binding if they have been firmly confirmed and agreed in the purchase contract that has been concluded. If delivery dates are confirmed as binding, this confirmation shall only apply subject to correct and timely delivery to us.

Delivery periods and dates shall be deemed to have been met if the products have been handed over to the forwarding agent/carrier within the delivery period or on the delivery date. They shall also be deemed to have been met upon notification of readiness for dispatch if products cannot be dispatched on time through no fault of our own.

Partial deliveries are permitted, provided this is reasonable for the customer and no additional costs are incurred.

Events of force majeure shall entitle us - even within the delay - to postpone the delivery for the duration of the hindrance. We shall inform the customer of the occurrence of the hindrance in an appropriate manner. If the end of the hindrance is not foreseeable or if it lasts longer than three months, each party is entitled to withdraw from the affected contract. All unforeseeable, unavoidable circumstances beyond our control shall be deemed equivalent to force majeure. These include, for example, labor disputes, lockouts, official or other sovereign measures, blockades, import and export bans, epidemics, explosions, fire, war, warlike conditions, mobilization, pandemics, sabotage, sanctions, damage to equipment or facilities, strikes, floods and other natural disasters, traffic

closures, energy and raw material shortages, regardless of whether they occur at our premises or those of one of our suppliers or subcontractors

If our deliveries are delayed, the customer shall only be entitled to withdraw from the contract if we are responsible for the delay and a reasonable deadline for delivery set by the customer has elapsed without success. The customer may only claim damages for delay or non-performance within the limits of clause 11 of these GTSD.

If the customer is in default of acceptance or violates other obligations to cooperate we shall be entitled, without prejudice to the customer's other rights, to store the products appropriately at the customer's risk and expense or to withdraw from the contract in accordance with the statutory provisions.

In the event that our suppliers do not deliver the ordered goods or do not deliver them on time, we are entitled to withdraw from the contract. A written order confirmation can be replaced by our invoice. If the order does not correspond to our offer, our order confirmation is binding. Incoming online orders are deemed to be an offer in the legal sense.

4. Reservation of self-delivery

We are entitled to withdraw from the purchase contract if we do not receive an item necessary for the product or its delivery through no fault of our own, despite having previously concluded a corresponding purchase contract in accordance with commercial diligence. We shall inform the customer without delay that the product is not available in good time and offer the customer the opportunity to exercise our right of withdrawal. The customer shall also have a right of withdrawal as a result of this information.

5. Transfer of risk

Unless otherwise agreed in the contract, the goods shall be dispatched using an appropriate shipping route in the usual packaging. We reserve the right to choose the shipping route and the means of transportation. We shall only take out transport insurance at the customer's request and expense.

The risk shall pass to the customer (i) in the case of sale by delivery to a place other than the place of performance, upon handover of the product to the carrier commissioned by us, (ii) in the case of collection by the customer upon handover to the customer, and (iii) in the case of collection by a third party commissioned by the customer, upon handover to this third party. If the customer is in default of acceptance, the risk shall pass to the customer upon the establishment of the default of acceptance. If, in the case of the agreed collection of the product by the customer or by the third party commissioned by the customer, the handover is delayed for reasons for which the customer is responsible, the risk shall pass to the customer on the day of notification that the goods are ready for dispatch.

6. Prices

All prices are quoted in USD including packaging. Cost for shipping and customs duty clearance to be borne by the customer. We charge a minimum quantity surcharge of USD 50.00 for orders below a net value of USD 500.00

For small orders of this type, we reserve the right to deliver cash on delivery.

The price shall be determined according to our price list valid at the time of delivery, unless a fixed price has been expressly agreed.

7. Terms of payment

The customer agrees to 50% prepayment in the amount of the order. Before receipt of payment TSE Inc. is not obliged to start manufacturing nor shipment.

Invoices must be paid in USD upon receipt, but no later than 30 days from the date of issue.

Payment

shall be deemed to have been made upon irrevocable crediting to our account.

If the customer fails to pay within 30 days of the due date, he shall be in default even without a reminder. In the event of default, interest shall be charged on the outstanding amounts at the statutory default interest rate plus 2% per month. We reserve the right to claim higher interest and further damages in the event of default. Payments can only be made directly to us with discharging effect. If several claims are outstanding, payments shall first be made on the interest, then on the costs and finally on the oldest outstanding claim. The customer may only offset claims that are undisputed by us or have been legally established.

8. Retention of title

All products shall remain our property until the customer has fulfilled all claims to which we are entitled from the business relationship.

In the event that the product is sold, the customer hereby assigns to us by way of security his claims against his purchaser arising from the resale, together with all ancillary rights. We accept this assignment without the need for any further special declarations. The assignment shall apply including any balance claims. However, the assignment shall only apply to the amount corresponding to the price of the product invoiced by us. The portion of the claim assigned to us shall be satisfied with priority.

Until revoked, the customer is authorized to collect the claims assigned to us. The customer shall immediately forward to us any payments made on the assigned claims up to the amount of the secured claim. In the event of justified interests, in particular in the event of default of payment, suspension of payment, opening of insolvency proceedings, protest of a bill of exchange or justified indications of over-indebtedness or imminent insolvency of the customer, we shall be entitled to revoke the customer's authorization to collect. In addition, we may, after prior warning and subject to a reasonable period of notice, disclose the assignment by way of security, realize the assigned claims and demand that the customer disclose the assignment by way of security to its customers.

If a legitimate interest can be substantiated, the customer must provide us with the information required to assert his rights against his customers and hand over the necessary documents.

For the duration of the retention of title, the customer is prohibited from pledging the goods or assigning them as security. In the event of seizure, confiscation or other dispositions or interventions by third parties, the customer must notify us immediately. The resale of the product is only permitted to resellers in the ordinary course of business and only on condition that payment of the equivalent value of the product is made to us. The customer must also agree with the purchaser that the purchaser shall only acquire ownership upon this payment.

If the realizable value of all security interests to which we are entitled exceeds the amount of all secured claims by more than 10%, we shall release a corresponding part of the security interests at the customer's request. It shall be assumed that the requirements of the preceding sentence are fulfilled if the estimated value of the collateral to which we are entitled reaches or exceeds 150% of the value of the secured claims. We shall have the choice between various security interests for the release.

In the event of breaches of duty by the customer, in particular default of payment, we shall be entitled to demand the return of the product and/or - if necessary after setting a deadline - to withdraw from the contract, even without setting a deadline. The customer is obliged to surrender the product. A demand for the return of the product does not constitute a declaration of withdrawal by the Contractor unless this is expressly declared.

9. Warranty

Our products shall have the agreed quality upon transfer of risk. The agreed quality shall be determined exclusively in accordance with the specific agreements made between the parties in the purchase contract and its annexes. Pre-contractual information in catalogs, price lists and other information material provided by us to the customer as well as product descriptions are in no way to be understood as guarantees for a particular quality of the goods. All quality or durability guarantees must be expressly agreed in writing.

The customer is obliged to inspect the products immediately after delivery, even if samples or specimens were previously sent. Obvious defects or other defects that were recognizable during an immediate, careful inspection must be reported in writing within seven working days of receipt of the products, hidden defects immediately after their discovery, stating the order data and, if possible, enclosing a reference sample. If the customer fails to notify us in due form and time, the goods shall be deemed approved. Transport damage must be reported to the carrier in a sufficiently clear manner.

If a complaint by the customer proves to be unjustified, the customer shall reimburse us for all costs incurred in this connection, e.g. travel, transportation or inspection costs. This shall only not apply in exceptional cases if the customer is not responsible for the unjustified complaint. The customer shall be for the unjustified notification of defects if he has recognized or negligently failed to recognize that the notification of defects was unjustified.

In the event of a justified notice of defects, we shall reimburse the customer for the transportation costs incurred and provide a warranty free of charge for demonstrable material or manufacturing defects in such a way that we shall, at our discretion, repair defective products or replace them with new ones (hereinafter "subsequent performance"). The customer shall grant us the reasonable time and opportunity necessary for subsequent performance. Products replaced by us shall be returned us at our request.

If the subsequent performance fails, if it is unreasonable for the customer or if we have refused it in accordance with § 439 para. 4 BGB, the customer may, at his discretion, reduce the purchase price or withdraw from the contract in accordance with the statutory provisions and/or demand compensation for damages in accordance with clause 10 or reimbursement of his futile expenses.

Rights of the customer due to defects are excluded (i) in the case of only insignificant deviation from the agreed quality or in the case of only insignificant impairment of the usability of the products, or (ii) if damage to the products occurs for reasons for which the customer is responsible, in particular due to non-observance of our instructions for use, making changes of any kind to the delivered products by persons not authorized by us to do so or other improper handling.

10. Limitation of liability

We limit our fault-based liability for damages, for whatever reason, as follows:

We shall not be liable for simple negligence on the part of our executive bodies, legal representatives, employees or other vicarious agents, unless the customer's claims are based on a breach of our essential contractual obligations (cardinal obligations). Cardinal obligations are obligations whose fulfillment makes the proper execution of the contract possible in the first place and on whose compliance the customer may regularly rely.

Insofar as we are liable on the merits, our liability shall be limited to the amount of damage typically foreseeable at the time of conclusion of the contract

Insofar as we provide technical information or act in an advisory capacity and this information or advice is not part of the contractually agreed scope of services owed by us, this is done free of charge and to the exclusion of any liability.

The aforementioned limitations of liability also apply to the liability of our executive bodies, legal representatives, employees or other vicarious agents.

The aforementioned limitations of liability shall not apply in the event of damage caused intentionally or by gross negligence, in the event of culpable injury to life, limb or health and for liability under the Product Liability Act and in the event of other mandatory liability facts. Furthermore, they do not apply if and insofar as we have assumed a guarantee.

The customer is obliged to take appropriate measures to avert and minimize damage.

A change in the burden of proof to the detriment of the customer is not associated with the above provisions.

11. Reduction of the limitation period

The limitation period for the customer's rights due to defects is twelve months beginning with the transfer of risk. The limitation provisions of § 445b BGB remain unaffected for recourse claims where the last customer in the supply chain is a consumer within the meaning of § 13 BGB. The statutory limitation periods shall apply

- (a) for the customer's rights in the event of fraudulently concealed or intentionally caused defects;
- (b) if and insofar as we have assumed a guarantee;
- (c) for claims for damages by the customer due to culpable injury to life, limb or health;
- (d) for claims for damages by the customer due to damage caused by us intentionally or through gross negligence;
- (e) for claims for damages by the customer for reasons other than defects in the product; and
- (f) for claims under the Product Liability Act or other mandatory statutory liability provisions.

12. Confidentiality

The parties undertake to keep the business secrets of the other party - with the exception of publicly accessible information - confidential during the business relationship and for a period of ten years after the end of the business relationship. Business secrets include in particular all information made available or otherwise obtained in connection the business relationship that is not generally known in this form, such as customer lists, price lists, drawings, process instructions, formulas, recipes and inventions. The obligation of confidentiality does not apply to such information that was already known to the receiving party upon receipt, was or will be made available to the receiving party by third parties lawfully and without the imposition of a confidentiality obligation, or must be disclosed to third parties by official or legal order (e.g. licensing authorities, supervisory or governmental authorities or to consultants bound to professional secrecy).

The information, data, documents and other records provided to the customer by us shall remain our inalienable property and may only be used for the purposes of the business relationship with us. Insofar as the customer is lawfully provided with business secrets by us within the scope of the business relationship or becomes aware of them, the customer must treat these business secrets confidentially and implement appropriate confidentiality measures to ensure that confidentiality is maintained.

Without our prior express written consent, the customer may not refer to the existing business relationship with us in its external presentation.. However, this does not apply to customers publishing scientific papers using TSE technology.

13. Property rights

The customer may not carry out any actions or have them carried out by third parties that could jeopardize our trademarks or other industrial property rights used by us in connection with the delivered products. In particular, trademarks and/or other distinctive features that are either part of the products, printed on them or attached to them in any other way may not be concealed, altered, removed or added to.

We reserve the right of ownership or copyright to all offers and cost estimates submitted by us as well as drawings, illustrations, catalogs, brochures, models and other documents made available to the customer. The customer may not make these accessible to third parties, disclose them, use them himself or through third parties or reproduce them without our express consent. At our request, the customer must return these items in full and destroy any copies made if they are no longer required in the ordinary course of business.

14. Regulatory requirements

The customer guarantees and ensures that it fulfills all its obligations under applicable laws. Customers will report Serious Incidents and on the Exchange of Information between Competent Authorities in full and on time as well as informing TSE in due time.

15. Applicable law, place of performance and jurisdiction

These GCSD and the contractual relationship between the parties shall be governed by the laws of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

The place of performance for delivery is the respective place of dispatch, for payment Huntley, IL 60142 USA

The exclusive place of jurisdiction for all disputes arising from or in connection with the contractual relationship between the parties is Berlin. However, we are entitled to sue the customer at any other legal place of jurisdiction.

16. General provisions

The customer may only assign the rights arising from the contractual relationship between the parties to third parties with our prior written consent. § Section 354a HGB remains unaffected by this.

Amendments and supplements to the contract and/or these Terms and Conditions of Delivery as well as ancillary agreements must be made in writing. This shall also apply to any amendment to this written form requirement.

The validity of our remaining terms and conditions shall not be affected by any amendment or any invalidity of individual terms and conditions.

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