



General Conditions
for Customer Services and the Supply of Spare Parts
of IDEAL-Werk C.+E. Jungeblodt GmbH + Co. KG (“IDEAL”)
for Use in Contracts with Customers Inside Germany

Version: October 2020

A. General Provisions

1. The legal relations between IDEAL and Customer (both hereinafter collectively referred to as the “Parties” and individually also as a “Party”) in connection with customer services such as Installation, commissioning, monitoring of installations and commissioning, maintenance, repairs, remote service support (telephone support, troubleshooting/operator guidance via smart glasses, online support) (hereinafter together ‘customer services’) as well as for the supply and the delivery of spare, wear and replacement parts shall be exclusively governed by these General Conditions (“Terms”) and, if applicable, additional conditions referred to in IDEAL’s offer and/or order confirmation, all of which terms shall also apply to all future offers and agreements even if they will not be specifically referred to. Customer’s general terms and conditions shall apply only if expressly accepted by IDEAL in writing. Conditions and which do not comply with what is stipulated herein shall not apply even if IDEAL accepts any service, supply, payment or other benefit of whatever kind from Customer without objection or if IDEAL performs an order received from Customer which order contains a reference to Customer’s general terms of contract.
2. Our ‘General Conditions for the Supply of Machines by IDEAL-Werk C.+E. Jungeblodt GmbH + Co. KG (“IDEAL”) to Customers inside Germany’, which can be viewed on the IDEAL home page at www.ideal-werk.com/en/general-conditions shall apply to all other business transactions with Customers inside Germany not set out in No. 1 of this Section A.
3. Customer shall be responsible for the correct specification and technical description of any spare or replacement part. IDEAL is under no obligation to review such specifications for correctness. Any information or advice by IDEAL regarding the suitability of the spare, wear or replacement parts chosen by Customer shall be non-binding, if IDEAL accepts orders for spare or replacement parts without having examined the item and/or the machine on which the parts are intended to be installed.
4. If IDEAL renders advice or makes recommendations free of charge, IDEAL is only liable if IDEAL has grossly negligently or intentionally provided wrongful advice or recommendations or if IDEAL is bound to liability by mandatory legal provisions.
5. IDEAL shall be entitled to make changes to the design or the manufacture of the Supplies based on technical or production-related requirements or to comply with statutory standards, provided that the changes are reasonable for Customer. In case of doubt, the criterion of reasonableness shall apply to determine if the effects upon the value and the functionality of the Supplies as well as the compliance with agreed or guaranteed performance data are acceptable for Customer.
6. The requirements as regards the Supplies shall - apart from the applicable contractual agreements – only be governed by the statutory provisions and other binding provisions applicable in Germany (e.g. relevant standards). In particular, IDEAL shall not be liable for non-compliance with legal product provisions and requirements that apply outside of Germany.

7. Each, IDEAL as well as Customer undertake to keep in strict confidence all information and knowledge of technical as well as of non-technical nature (including in particular know-how of the other Party) which have come to its attention in the course of preparing or performing the respective contract and each Party shall keep such knowledge at least as confidential as it keeps confidential and protects its own sensitive information, data, know-how and business secrets. Such information, data, know-how and business secrets may not be disclosed to or made accessible for any third party without the affected Party’s consent.
8. The performance of any contract between IDEAL and its Customers is conditional upon that no hindrances attributable to applicable national, EU or international rules of foreign trade law or any embargos or other sanctions exist.

B. Customer’s involvement

1. Customer undertakes to support IDEAL’s service staff in preparing and performing the service works.
2. Customer shall arrange and make sure for the time of service works at its own expense and in due time:
 - a) that the workplace are safe and easily accessible, that cable ducts and other constructions for service are available and that the cables for power supply and signalisation are laid and routed. Other supplies like water, compressed air, sampling gas, waste water (including, if applicable, condensate) must be installed and ready to use at the place of application;
 - b) all earth and construction work and other ancillary work outside IDEAL’s scope, including the necessary skilled and unskilled labor, construction materials and tools;
 - c) the equipment and materials necessary for service works such as scaffolds, lifting equipment and other devices as well as fuels and lubricants;
 - d) suitable dry and lockable rooms of sufficient size on or adjacent to the workplace for the storage of machine parts, apparatus, materials, tools, etc. and adequate working and recreation rooms for the IDEAL service personnel, including sanitary facilities as are appropriate in the specific circumstances; furthermore, Customer shall in coordination with IDEAL take at least all measures it would take for the protection of its own possessions to protect the possessions of IDEAL and of the erection personnel at the site;
 - e) work protection equipment and special work clothing must be provided by Customer if required under the actual working conditions. This shall not apply where and to the extent the services or portions thereof shall be performed at IDEAL’s site or at the site of a third party designated by IDEAL. It is also the responsibility of Customer to make sure that the IDEAL personnel can start executing their work immediately after arrival;
 - f) proper security measures for the workplace to make sure that IDEAL’s assets, goods, work results etc. are protected against intentional damage which may be caused by third parties (e.g. employees or contractors of Customer or its end customers).



3. It is the obligation of Customer to inform IDEAL of special working conditions and/or potential and/or actual limitations of working possibilities and, if necessary, to secure the corresponding special training of IDEAL personnel. Customer is also responsible to ensure the safety of the site of work and operation and the work environment of the IDEAL personnel. The working hours of IDEAL's personnel are subject to German Employment Law. Working times exceeding ten hours per day are subject to approval by IDEAL as soon as the necessity for such extra hours becomes obvious. Customer has to ensure that qualified contact persons are available during the service operations.
4. Before the service works start, Customer shall unsolicitedly make available any information required concerning the location of concealed electric power, gas and water lines or of similar installations as well as the necessary structural data.
5. Prior to service works, the materials and equipment necessary for the work to start must be available on the site of service and any preparatory work must have advanced to such a degree that service can be started as agreed and carried out without interruption. Access roads and ways and the site of service must be level and clear.
6. If service work is delayed due to circumstances for which IDEAL is not responsible, Customer shall bear the reasonable costs incurred for idle times and any additional traveling expenditure of IDEAL or the erection personnel even if a fixed price has been agreed. If equipment or devices provided by IDEAL are damaged or lost at the operation site without fault of IDEAL, Customer must replace such items or, at IDEAL's choice, bear the costs of replacement. Damages that are a result of normal tear and wear shall not be taken into account.
7. At IDEAL's choice, at the end of each deployment day or each working week, and no later than at the end of the customer service deployment, the Customer shall certify the hours spent on the work sheets submitted by IDEAL's personnel.
8. If, after completion, IDEAL notifies Customer that the service works have been completed and demands acceptance of the Supplies, Customer shall comply with such request. Customer shall accept the Supplies as soon as it has been notified of the service works being completed and any testing of the subject has taken place. Customer cannot refuse acceptance due to an insignificant defect, provided that IDEAL acknowledges its obligation to remedy the effect. Where acceptance is delayed without IDEAL being liable for such delay, where Customer makes use of the Supplies without reservation as intended, or where Customer does not report its complaints, acceptance shall be deemed as having occurred 14 days since IDEAL's notification of the completion of the works.
9. Customer shall enable access to the machinery or facility during operating times, or as otherwise agreed and shall, where and when necessary transport for IDEAL's service staff and their tools and materials on the factory premises.

C. Occupational health and safety and working conditions

1. IDEAL shall comply with statutory requirements applicable at the place of deployment when performing work. If the place where work must be performed is outside the Federal Republic of Germany, Customer shall inform IDEAL as soon as possible of the legal and other regulations to be observed when carrying out the work so that IDEAL can ensure that they are observed. Should there be any special requirements or restrictions with regard to the execution of the service work or the acceptance

that Customer did not indicate before the contract was concluded and that have an effect on the provision of the contractually owed services of IDEAL or result in an increase of costs, IDEAL may request that agreed execution times are extended and agreed dates are postponed accordingly and any additional or increased costs incurred are borne by Customer.

2. IDEAL shall determine the working times of its staff under its own responsibility, taking into account the interests of Customer. The regulations of the German Working Hours Act must be observed in any case.
3. For its part, Customer shall comply with the statutory, official and trade-association regulations and requirements in effect at the place of deployment and, where applicable, take measures for preventing accidents and protecting IDEAL staff and property, and as a minimum comply with any IDEAL health and safety measures that Customer has been informed of.
4. Customer shall inform IDEAL service staff of special safety regulations in place at its premises and provide IDEAL service staff with an on-site safety briefing. Special personal protective equipment envisaged in such safety regulations is to be provided by Customer.
5. Customer shall inform IDEAL of IDEAL's service staff breaching such safety regulations. It is entitled to refuse the respective access to the place of deployment in the event of serious breaches following consultation with IDEAL's customer service manager.
6. In the event of one or more safety requirements to be met at the place of deployment not being complied with by Customer and not being rectified within an appropriate grace period, despite Customer being informed in writing, IDEAL is entitled to stop working until all deficiencies as regards safety are remedied. In addition and, following prior notification, IDEAL is entitled to stop deploying employees and/or withdraw his service staff from the place of deployment and/or terminate the contract for services in the event of a risk to life and limb for the deployed employees existing in connection with the deployment. This is particularly the case if an official body (for example the Foreign Office of the Federal Republic of Germany) issues a travel warning for the intended place of deployment or advises not to stay. The same shall apply if Customer repeatedly violates its obligations in accordance with No. 3 of this Section C.
7. In the aforementioned cases of this Clause 6, IDEAL shall be entitled to invoice the services rendered to date and to demand reasonable compensation for the services no longer rendered, deducting any expenses saved.
8. All costs directly or indirectly incurred by IDEAL due to cancelling or stopping work for reasons for which IDEAL is not responsible in accordance with the provisions of this Section C, shall be invoiced in full to Customer.

D. Prices, Terms of Payment and offsetting

1. Prices are FCA IDEAL's facilities at Lippstadt, Germany (in accordance with Incoterms 2020), excluding packaging; value added tax shall be added at the rate applicable at the time of performance.
2. Payments shall be made net of any deductions, costs, transfer fees etc. into a bank account detailed in IDEAL's order confirmation, IDEAL's invoice or provided in any other manner.
3. Customer shall undertake to properly dispose of the packaging used for transport or other purposes at its own expense. Packaging will not be taken back by IDEAL, with the exception



of wooden pallets, mesh boxes and other transport containers intended for multiple use, which Customer shall return to IDEAL at its own expense.

4. Customer services as well as travel and accommodation costs for customer service staff shall be invoiced based on IDEAL's price and service list for customer services valid at the time of the contract being entered into unless an all-inclusive price is expressly agreed.
5. Costs and services stated in quotes as well as details regarding their time for and duration of supply are no binding estimates.
6. Where a quote with binding pricing is required before performing services, this must be requested expressly by Customer. Unless otherwise agreed, such a quote shall only be binding if provided in writing and clearly marked as binding.
7. Customer will not be charged for services performed in order to provide a quote where such services can be utilized when performing the repair.
8. Works stoppage and an extension of service time beyond an expressly agreed deadline as well as any additional costs incurred such as additional travel costs, waiting time and work as well as lodging expenses and travel costs due to the circumstances for which IDEAL is not responsible, shall be borne by Customer.
9. Where Customer is at default with its payment, the unpaid amount shall bear annual interest of 9% above the European Central Bank's base rate. Claims for compensation due to further losses shall remain reserved.
10. Customer may set off against IDEAL's claims only such claims which are undisputed or have been awarded or confirmed by a final and binding judgment or arbitration award.

E. Timely Supply; Force Majeure, Delay and Consequences of Delay

1. Unless otherwise explicitly agreed, all supplies of products shall occur FCA IDEAL's premises at Lippstadt, Germany (in accordance with the Incoterms 2020). The time of handover to the forwarding agent, carrier or other third party commissioned with the transport shall be decisive for compliance with the agreed delivery time. If delivery cannot take place for reasons for which IDEAL is not responsible, the notification of readiness for dispatch shall be sufficient.
2. If dispatch or delivery is delayed due to Customer's request by more than one month after IDEAL has notified Customer of the readiness for dispatch, IDEAL may charge Customer, for every additional month commenced, storage costs of 0.5 % of the price of the items of the Supplies, but in no case more than a total of 5 %. Either Party may prove that higher or, as the case may be, lower storage costs have been incurred.
3. Early and partial deliveries are permitted, unless they are unreasonable to accept for Customer. In such case, the Parties shall mutually agree upon the most practicable and efficient way to safely store products delivered early or as a part of the scheduled scope of delivery. Where partial deliveries have been agreed between IDEAL and Customer, Customer must provide adequate storage facilities and adequate insurance coverage.
4. Details regarding the intended duration of the works are based on estimates, and therefore represent non-binding service deadlines. The duration of works essentially depends upon the conditions at the place of deployment, the support provided by

Customer and, as regards repairs, on the scope of the repair determined after fault diagnosis.

5. The agreed deployment duration or completion deadline is met if, by it expiring or it being reached, the object of customer service works is ready to be taken over by Customer (or, in the event of testing provided for by contract, when it is ready for testing).
6. The following shall apply in the event of a fixed delivery date, deployment duration and/or fixed completion deadline being agreed:

The agreement (or stipulation) of binding performance times and deadlines requires that all technical and commercial questions have been clarified and the client has fulfilled all his obligations, particularly all payment obligations meaning, all payments due have been made.

With regard to customer services, the extent of the work and the customer's cooperation shall be precisely defined, the expected spare or replacement parts required must be available at the customer's site or ordered by him in time, and any official permits must be obtained by the customer in good time.

If all such conditions are not fulfilled timely, agreed performance times and deadlines set shall be extended reasonably; this shall not apply if and to the extent IDEAL is solely responsible for the delay.

7. If IDEAL is responsible for the delay (hereinafter referred to as "Delay") and Customer can prove to have suffered a loss therefrom, Customer may claim a compensation as liquidated damages of 0.5 % for every completed week of Delay, but in no case more than a total of 5 % of the price of that part of the Supplies which due to the Delay could not be put to the intended use.
8. In the event of additional or extended orders being placed by Customer or in the event of necessary additional customer services, the deployment duration shall be extended or the completion deadline shall be shifted accordingly.
9. The deployment duration is extended appropriately in the event of work being delayed due to missing or wrongful cooperation by Customer. Costs incurred due to such delay shall be borne by Customer.
10. If non-observance of durations or time limits set for performance is due to Force Majeure, such times shall be extended accordingly.
11. "Force Majeure" means the occurrence of an event or circumstance that prevents or impedes a Party from performing one or more of its contractual obligations under the contract, if and to the extent that that Party proves: [a] that such impediment is beyond its reasonable control; and [b] that it could not reasonably have been foreseen at the time of the conclusion of the contract; and [c] that the effects of the impediment could not reasonably have been avoided or overcome by the affected Party.

In the absence of proof to the contrary, the following events affecting a Party or a third party whom it has engaged to perform the whole or part of the contract, shall be presumed to fulfil conditions (a) and (b) of this Clause: (i) war (whether declared or not), hostilities, invasion, act of foreign enemies, extensive military mobilisation; (ii) civil war, riot, rebellion and revolution, military or usurped power, insurrection, act of terrorism, sabotage or piracy; (iii) currency and trade restriction, embargo, sanction; (iv) act of authority whether lawful or



unlawful, compliance with any law or governmental order, expropriation, seizure of works, requisition, nationalisation; (v) plague, epidemic, natural disaster or extreme natural event; (vi) explosion, fire, destruction of equipment, prolonged break-down of transport, telecommunication, information system or energy; (vii) general labour disturbance such as boycott, strike and lock-out, go-slow, occupation of factories and premises.

The affected Party shall give notice of the event to the other Party without delay.

12. A Party successfully invoking Force Majeure is relieved from its duty to perform its obligations under the contract and from any liability in damages or from any other contractual remedy for breach of contract, from the time at which the impediment causes inability to perform, provided that the notice thereof is given without delay. If notice thereof is not given without delay, the relief is effective from the time at which notice thereof reaches the other Party. Where the effect of the impediment or event invoked is temporary, the above consequences shall apply only as long as the impediment invoked impedes performance by the affected party. Unless otherwise agreed, the Parties expressly agree that the contract may be terminated by either Party if the duration of the impediment exceeds 6 months.
13. Notwithstanding No.12 of this Section E, where a Party proves that:
 - a) the continued performance of its contractual duties has become excessively onerous due to an event beyond its reasonable control which it could not reasonably have been expected to have taken into account at the time of the conclusion of the contract; and that
 - b) it could not reasonably have avoided or overcome the event or its consequences,the Parties are bound, within a reasonable time of the invocation of this Clause, to negotiate alternative contractual terms which reasonably allow to overcome the consequences of the event.
14. Where the foregoing No. 13 of this Section E applies, but where the Parties have been unable to agree upon alternative contractual terms as provided for in that paragraph, either Party is entitled to request the judge or the arbitrator or the arbitration tribunal, as the case may be, to adapt the contract with a view to restoring its equilibrium, or to terminate the contract, as appropriate.
15. Where, in consideration of statutory exemptions, Customer sets IDEAL an appropriate deadline for completing performance of the works and if such deadline is not met for reasons for which IDEAL is responsible, Customer is entitled to cancel the contract in accordance with applicable statutory provisions.
16. Customer's claims for damages due to delayed Supplies as well as claims for damages in lieu of performance exceeding the limits specified in No. 7 of this Section E above are excluded in all cases of delayed Supplies and/or Services, even upon expiry of a time set to IDEAL to effect the Supplies and/or Services. This shall not apply in cases of liability based on intent, gross negligence, or loss of life, bodily injury or damage to health. Rescission of the contract by Customer based on statute is limited to cases where IDEAL is solely responsible for the delay. The above provisions do not imply a change in the burden of proof to the detriment of Customer.

17. At IDEAL's request, Customer shall declare within a reasonable period of time whether it, due to the Delay, wishes to rescind the contract or prefers the delivery of the Supplies and the performance of IDEAL's further obligations, if any, under the respective contract.

F. Acceptance of Work/Services

1. Customer shall accept the customer service rendered as soon as it has been notified of the service works being completed and any testing of the subject matter of customer service provided for by contract has taken place. Where the results of the customer service turns out not to be in accordance with the contract, IDEAL shall be obliged to remove existing defects. The foregoing shall not apply if the defect is insignificant as regards the interests of Customer or if the defect is due to circumstances attributable to Customer.
2. In the event of an insignificant defect, Customer shall not have the right to refuse acceptance.
3. Where acceptance is delayed without IDEAL being liable for such delay, where Customer makes use of customer service without reservation as intended, or where Customer does not report its complaints without undue delay, acceptance shall be deemed as having occurred 14 days since IDEAL's notification of the completion of the works to Customer.
4. The benefits and risk regarding the work shall pass to Customer on notification of the completion of the works or after the works have been tested. The same applies in the event of Customer commencing use in accordance with No. 3 of this Section F.
5. IDEAL's liability for visible or cognizable defects shall cease on acceptance unless Customer has reserved his rights to assert claims for a specific defect.

G. Retention of title, extended lien

1. IDEAL reserves title to all accessory and spare parts as well as replacement apparatus (collectively "Retained Goods") used and delivered until all payments resulting from the sale or customer service job have been received. If the aggregate value of IDEAL's security interests exceeds the value of all secured claims by more than 30 %, IDEAL shall release a corresponding part of the security interest if so requested by Customer; IDEAL shall be entitled to determine at its discretion which security interest it is prepared to release.
2. Where Customer fails to fulfil its duties, fails to make payment due, or otherwise violates its obligations vis-à-vis IDEAL, IDEAL shall be entitled to rescind the contract and take back the Retained Goods following expiry of a reasonable remedy period set by IDEAL; any statutory provisions providing that a remedy period is not needed, shall remain unaffected. Customer shall be obliged to return the Retained Goods or deliver them to any third party nominated by IDEAL. The fact that IDEAL takes back Retained Goods and/or exercises its retention of title rights, or has the Retained Goods seized, shall not be construed to constitute a rescission of the contract, unless IDEAL so expressly declares.
3. Where Retained Goods are combined with other items so that they become an integral part of another item, IDEAL shall obtain joint title to the other item.
4. Customer is entitled to sell the Retained Goods onwards in the ordinary course of business. In the event of the Retained Goods delivered or combined with other items as set forth in No. 3 of this Section G, Customer hereby assigns to IDEAL - already now - its receivables resulting from a potential sale (or a



corresponding portion thereof) of a particular item until complete satisfaction of IDEAL's claims against Customer. Upon IDEAL's request, Customer shall inform IDEAL of all names and addresses of its Customers to which it has supplied Retained Goods or which have control over them.

5. Due to its receivables resulting from customer service job, IDEAL shall have a right of lien to the object of customer service of Customer which has come into IDEAL's possession due to the contract.
6. The right of lien can also be exercised due to receivables resulting from work, spare part deliveries and other services performed earlier by IDEAL where items supplied by IDEAL were connected with the object of customer service. The right of lien shall only secure other claims of IDEAL resulting from the business relationship if and to the extent such claims are undisputed by Customer or have been confirmed as valid in a binding court judgment or arbitral award.
7. If and when Retained Goods leave the German territory, then all retention of title rights stipulated herein shall continue to exist in a manner which, under the laws of the country where the Retained Goods actually are, constitute a security in favour of IDEAL the effects of which come as close as possible to what is stipulated herein and is effective on German territory.

H. Passing of Risks

1. All risks shall pass to the Customer in accordance with the Incoterm Clause agreed upon even if partial deliveries are made or services beyond the delivery (e.g. assembly and commissioning) have been agreed.. Failing individual stipulation between the Parties, all supplies of products shall occur FCA IDEAL's premises at Lippstadt, Germany, as defined in the Incoterms 2020.
2. Notwithstanding the passing of risk according to stipulations made between the Parties, the risk shall in any case pass to Customer if dispatch, delivery, the start or acceptance of the service is delayed for reasons for which Customer or Customer's customer is responsible or if Customer has otherwise failed to accept the Supplies or Services. In such case, the risk shall pass as of the date and time it would have passed had the delay not occurred.

I. Repairing or overhauling defective parts at Customer's site

1. Where in the context of a customer service order the transport of the object of customer service to a site other than Customer's has been agreed, the item requiring service shall be transported forth and back at the cost and at the risk of Customer.
2. There is no insurance coverage for the item being serviced during the performance of customer service at IDEAL's site. Customer shall ensure insurance coverage for the item while it is at IDEAL's site, in particular against fire, mains water, storm and machinery breakdown. IDEAL will only provide coverage for these risks at the express wish and at the cost of Customer.
3. IDEAL is entitled to charge storage costs at its site in the event of customer delaying taking back the item which is the object of customer service. At the discretion of IDEAL, the respective item can also be stored at a place other than IDEAL's site. Customer shall bear the costs and the risk of such storage.

J. Repair and service orders incapable of being performed

1. Customer shall be invoiced for fault diagnosis undertaken for issuing a quote as well as further expense to be evidenced if

the repair or other services cannot be performed due to reasons for which IDEAL is not responsible, in particular because

- a) Customer has not requested IDEAL within appropriate time to perform repair or other services,
 - b) the fault reported cannot be found on inspection,
 - c) spare parts (other than those to be supplied by IDEAL) cannot be procured,
 - d) Customer has not attended the agreed appointment or if the job has been cancelled by Customer while being carried out.
2. In the event of No. 1 of this Section J, at the express wish of the Customer, the object of potential repair or customer service is only to be returned to its original state at no cost to customer if IDEAL should have identified before starting that the works undertaken were not required.
 3. Where repair or other services cannot be performed, IDEAL shall not be liable for damage to the object of customer service where ancillary contractual obligations have been breached by Customer or third parties within his sphere nor for damage not occurring on the object of customer service itself, regardless of the legal ground relied on by Customer.

The restrictions set forth in No. 3 of Section M shall apply accordingly.

K. Industrial Property Rights and Copyrights; Defects in Title

1. IDEAL herewith reserves any industrial property rights and/or copyrights pertaining to its cost estimates, drawings and other documents (hereinafter referred to as "Documents"). The Documents shall not be copied, reproduced or made accessible to third parties without IDEAL's prior written consent and shall, upon request, be returned without undue delay to IDEAL if the contract is not awarded to IDEAL. Sentences 1 and 2 shall apply mutatis mutandis to the Customer's Documents; these may, however, be made accessible to those third parties to whom IDEAL has rightfully subcontracted Supplies or from which he himself sources products and/or services for the purpose of performing his own obligations vis-à-vis the Customer.
2. Unless otherwise agreed, IDEAL shall provide the Supplies free from third parties' industrial property rights and copyrights (hereinafter referred to as "IPR") with respect to the country of the place of delivery only. If a third party asserts a justified claim against Customer based on an infringement of an IPR by the Supplies made by IDEAL and used in conformity with the contract, IDEAL shall be liable to the Customer within a period of 12 months following delivery or, as the case may be, completion of erection/assembly, as follows:
 - a) IDEAL shall choose whether to acquire, at its own expense, the right to use the IPR with respect to the Supplies concerned or whether to modify the Supplies such that they no longer infringe the IPR or replace them. If this would be impossible for IDEAL under reasonable conditions, the Customer may rescind the contract or reduce the remuneration pursuant to the applicable statutory provisions.
 - b) IDEAL's liability to pay damages is governed by Section L hereof.
 - c) The above obligations of IDEAL shall apply only if Customer (i) immediately notifies IDEAL of any such claim asserted by a third party in written form, (ii) does not concede the existence of an infringement and (iii) leaves any protective measures and settlement negotiations to IDEAL's discretion. If



Customer stops using the Supplies in order to reduce the damage or for other good reason, it shall be obliged to notify the third party that no acknowledgment of the alleged infringement may be inferred from the fact that the use has been discontinued.

3. Claims of Customer shall be excluded if it is responsible for the infringement of an IPR or if it could have foreseen that the Supplies may violate third parties' IPR and has failed to notify IDEAL thereof.
4. Claims of Customer shall furthermore be excluded if the infringement of the IPR is caused by specifications made by Customer, by a type of use not reasonably foreseeable by IDEAL, by end products manufactured with the Supplies or by the Supplies being modified by Customer or being used in combination with products not provided by IDEAL.
5. In addition, with respect to claims that Customer may have pursuant to No. 2 of this Section K above, Sect. L Nos. 3 and 8 and of Sect. M below shall apply mutatis mutandis in the event of an infringement of an IPR.
6. Where other defects in title occur, the provisions of Sections L and M hereof shall apply mutatis mutandis.
7. Any other claims of Customer against IDEAL, its legal representatives or its agents or any such claims exceeding the claims provided for in this Section K and in Section M, are excluded.

L. Liability for Defects as to Quality

IDEAL shall be liable for defects as to quality of Supplies and Services as follows:

1. Claims based upon defect are subject to Customer complying with its legal duty of examining the received goods upon receipt and giving notice of lack of conformity to IDEAL. Notifications of defect by Customer shall be given in written form and without undue delay.
2. IDEAL shall not be liable for defects resulting from constructions or measures expressly requested by Customer or which result from or are attributable to in materials or products provided by Customer or the use of which was expressly requested by Customer contrary to any advice or recommendation of IDEAL.
3. Defective parts or defective services shall, at IDEAL's discretion, be repaired, replaced or provided again free of charge within a reasonable period of time, provided that the reason for the defect had already existed at the time when the risk passed, and, if a recognisable defect is involved, such defect has been reported properly as part of acceptance in accordance with Section F.
4. Subject to Section M, when customer services have been accepted, IDEAL shall remedy defects appearing subsequently for which IDEAL is liable in accordance with Sections L and M, under exclusion of all other Customer's claims, provided that Customer has reported such a defect in writing without delay and by no later than within 5 days after it being discovered.
5. The warranty period for defects of new parts shall be 12 months and for used spare/replacement parts 6 months, and such period shall commence with delivery or commissioning, and by no later than one month after readiness for delivery. The foregoing shall not apply in case of a fraudulently concealed defect or a warranty referring to the new part being breached. Irrespective of the foregoing, claims by Customer according to

the applicable contractual stipulations shall remain unaffected, even as regards the delivery of used parts.

6. Claims for the reimbursement of expenses on the part of Customer in accordance with Sec. 445a BGB (entrepreneur's right of recourse) shall likewise be subject to a statute of limitations of 12 months from the start of the statutory statute of limitations, provided the last contract in the supply chain is not a sale of consumer goods. The legal provisions regarding suspension of the statute of limitations and recommencement of limitation periods shall be unaffected.
7. IDEAL's liability for defects shall terminate in the event of any improper changes or repairs made by Customer or third parties without prior approval. Customer shall be entitled to have the defect remedied itself or by third parties and demand compensation for necessary costs only in urgent situations of risks to operational safety or to prevent disproportionately substantial damage, but Customer shall notify IDEAL of such circumstances and his intentions immediately.

Direct costs incurred when remedying defects in accordance with the foregoing shall be borne by IDEAL where the complaint turns out to be justified and IDEAL is not unduly burdened by them.

8. If IDEAL, observing statutory exemptions, allows an appropriate period set for it to remedy defects to lapse without it acting or reacting as appropriate, Customer shall be entitled to a reduction in price in accordance with applicable law. Only where Customer can show the services rendered to be of no interest for him despite the reduction in price, can he terminate the contract in lieu of the price being reduced.
9. Claims for recourse by Customer against IDEAL according to Sec. 445a BGB only exist to the extent where Customer has entered into no agreements with its purchaser over and beyond IDEAL's liability for defects as stipulated between IDEAL and Customer.
10. IDEAL is entitled to be released from Customer's defect claims by it assigning claims to Customer that it is entitled to against its own supplier, with the prerequisite that such claims do not fall behind those open to Customer against IDEAL in accordance with these Terms.
11. Further claims are subject to the exclusions and limitations set forth in Section F of these Terms.

M. Other Claims for Damages

1. Where parts of the object of IDEAL's customer service are damaged due to IDEAL's fault, IDEAL shall opt at its choice to repair, deliver replacement, or pay compensation. Where items on which work is performed, are damaged or destroyed for reasons that IDEAL is not liable for, IDEAL keeps the right to claim the agreed remuneration.
2. In particular, IDEAL shall not be liable in any of the following cases:
 - a) Unsuitable or improper use
 - b) Defective assembly, installation or commissioning
 - c) Natural wear
 - d) Defective or negligent handling
 - e) Incorrect maintenance
 - f) Unsuitable equipment and/or operating materials
 - g) Defective construction work, improper building ground as well as for
 - h) chemical, electrochemical or electrical influences



if and to the extent IDEAL is not responsible for such circumstances.

3. IDEAL shall only be liable for damage not caused to the object of customer service or the delivered part itself, for whatever reason, if liability is based on:
 - a) the German Product Liability Act and/or other compulsory legal provisions;
 - b) intentional act or intentional failure to act by IDEAL, its legal representatives or executives;
 - c) gross negligence on the part of IDEAL, its legal representatives or executives;
 - d) malice;
 - e) failure to comply with a contractual guarantee granted;
 - f) negligent injury to life, limb or health or
 - g) Negligent breach of a fundamental condition of contract

However, claims for damages arising from a breach of a fundamental condition of contract shall be limited to the foreseeable damage which is intrinsic to the contract, provided that no other of the above case applies.

4. As regards repairs, the liability of IDEAL is restricted to the professional performance of the repair. IDEAL is not obliged to inspect Customer's equipment for other defects. Damage due to natural wear or improper handling shall not result in defect liability.
5. In the event of test data being lost or data material being damaged, the liability of IDEAL is limited to the real value of the data carrier itself, and as such does not include the expense for recreating lost data.
6. The above provisions do not imply a change in the burden of proof to the detriment of the Customer.
7. To the extent IDEAL's liability is excluded or limited, such exclusion and/or limitation shall also apply to the personal liability of IDEAL's employees, workers, officers, legal representatives, agents and vicarious agents.

N. Jurisdiction and governing law

1. Exclusive venue for all disputes arising directly or indirectly out of the contract shall be IDEAL's place of business. However, IDEAL shall, in its sole discretion, be entitled to also bring an action before the courts having jurisdiction over Customer's place of business or to submit the dispute to arbitration, in which case arbitration proceedings shall be conducted in accordance with and under the Rules of Arbitration of the International Chamber of Commerce (ICC) in Paris. The place of arbitration shall be Frankfurt/Main (Germany), and the language of the arbitration proceedings shall be German.
2. This contract and its interpretation shall be governed by German Law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

O. Severability Clause

The legal invalidity or impracticability of one or more provisions of this Agreement shall in no way affect the validity of the remaining provisions and the contract as such. In such case, the invalid or impracticable clause shall be regarded to be replaced by a legally admissible and practicable clause the legal and economical effects of which come as close as possible to what the invalid or impracticable clause had been intended to achieve.