

## GENERAL TERMS FOR INSTALLATION WORK

### 1. GENERAL

1.1 These terms for installation apply for installation work undertaken by SCHMID in the mechanical engineering sector, provided deviating arrangements have not been made for the specific case. Deviating terms of the customer are not valid, even if they have not been expressly rejected for the specific case.

1.2 If the installation is part of a delivery contract for equipment (main contract), then solely the terms of the main contract are valid in place of the Articles 5 to 8 below.

1.3 Collateral agreements and amendments must be in written form in order to be valid.

### 2. PRICE OF INSTALLATION

2.1 Installation work shall be charged per hour according to the currently valid cost unit rates for installation if a flat rate has not been explicitly stipulated.

2.2 It shall be understood that the stipulated sums do not include value-added tax, which shall be additionally paid.

### 3. COOPERATION OF THE CUSTOMER

3.1 The customer shall, at his own expense, assist the installation personnel in the execution of the installation work.

3.2 The customer shall take the special measures required for the safety of persons and objects at the place of installation. The customer shall also inform the installation foreman of the existing safety regulations in so far as these pertain to the installation personnel. The customer shall inform SCHMID of the infringement of such safety regulations by the installation personnel. In case of serious infringement, the customer shall be entitled to refuse the offender admittance to the installation site in consultation with the installation foreman.

### 4. TECHNICAL ASSISTANCE BY THE CUSTOMER

4.1 The customer shall be obliged to provide technical assistance at the customer's expense, this including:

a) The provision of the required appropriate auxiliary personnel (masons, carpenters, metalworkers and other trained staff; unskilled workers) in the required numbers and for the required time; the unskilled workers shall follow the instructions of the installation foreman. SCHMID shall not be held liable for the unskilled workers. Should defects or damage be incurred by the unskilled workers due to instructions given by the installation foreman, 7. or 8.1 shall apply.

b) The execution of all excavation, building, bedding and scaffolding work with the required materials.

c) The provision of the required devices and heavy-duty equipment (e.g. lifting gear, compressors, portable forges) and commonly required goods and materials (e.g. lumber for scaffolding, wedges, supports, cement, facing and sealing material, lubricant, fuel, driving ropes and belts).

d) The provision of heating, lighting, power, water or chemicals, including the required connections.

e) The provision of the required dry and lockable rooms for storage of tools belonging to the installation personnel.

f) The transport of the installation parts to the place of installation, the protection of the installation site and materials from damaging elements of all kinds, the cleaning of the installation site.

g) The provision of appropriate, lockable common rooms (with heating, lighting, washing and sanitary facilities) and first aid for the installation personnel.

h) The provision of materials and execution of all remaining measures necessary for the installation of the delivery item and the execution of a contractually agreed trial operation.

4.2 The technical assistance of the customer must ensure that installation work can begin immediately after the installation personnel have arrived and be carried out without delay by the customer. Should special plans or instructions from SCHMID be required, SCHMID shall place such documents at the disposal of the customer in due time.

4.3 Should the customer fail to fulfil his obligations, SCHMID shall, after notification, be entitled to carry out the above-mentioned measures in the customer's stead and at the customer's expense. In other respects, the statutory rights and claims of SCHMID shall remain unaffected.

### 5. TERM OF INSTALLATION

5.1 The installation deadline shall be considered met if the installation is ready for acceptance by the customer within the time limit or, if trial operation has been contractually agreed, with the execution of the same.

5.2 Should the installation be delayed by measures connected with labour disputes, in particular strikes and lock-outs, or due to circumstances for which SCHMID cannot be held responsible, the installation deadline shall be extended by an appropriate period if such hindrances have demonstrable influence on the completion of the installation works; this also applies if such circumstances arise after SCHMID is already in delay.

5.3 If the installation performance should be lost or deteriorate before acceptance and without fault of SCHMID, SCHMID shall be entitled to charge the price for installation minus the expenditures not incurred. The same shall apply if the installation becomes impossible without fault of SCHMID.

5.4 The customer shall be entitled to demand the repetition of the installation performance only if and in so far as such repetition can be reasonably expected from SCHMID, particularly under consideration of its other contractual obligations. SCHMID shall be paid separately for repeated performances and on the basis of the contract prices.

### 6. ACCEPTANCE

6.1 The customer is obliged to accept the installation as soon as he has been notified of the completion and any contractually stipulated trial operation of the installed delivery item has been carried out. If the installation has not been carried out in compliance with the contract, SCHMID is obliged to remedy the defect at his own expense. This shall not apply if the defect is based on circumstances for which the customer is to be held responsible. If an immaterial defect exists, the customer shall not be entitled to refuse acceptance if SCHMID explicitly recognizes his obligation to remedy the defect.

6.2 Should acceptance be delayed without the fault of SCHMID, the acceptance shall be considered given after a period of two weeks following the notification of completion of the installation has been given.

6.3 With the acceptance of the installation, the liability of SCHMID for recognizable defects shall no longer apply in as far as the customer has not reserved the assertion of a certain defect.

## **7. WARRANTY**

7.1 After acceptance of the installation SCHMID shall be held liable for installation defects occurring within 12 months after termination of the installation, under the exclusion of all other claims of the customer, notwithstanding Article 7.5 and 8, in such a manner that SCHMID shall remedy the defects. The customer shall notify SCHMID immediately of a detected defect. The right of the customer to claim damage shall elapse after 12 months after notification has been given.

The period of liability for defects shall be extended by the period of time during which operations are interrupted due to work required to remedy the defect.

7.2 SCHMID shall not be held liable if the defect is irrelevant for the interests of the customer or is based on circumstances for which the customer is to be held responsible.

7.3 SCHMID shall not be held liable for the consequences of any alterations or repair work carried out improperly by the customer or a third party and without prior approval by SCHMID. Only in urgent cases in which the operating safety is endangered and in order to prevent disproportionately serious damage, in which case SCHMID shall be notified immediately, shall the customer be entitled to remedy the defect himself or have the defect remedied through a third party and demand compensation from SCHMID for the required costs. The same applies if SCHMID has delayed remedy of the defect.

7.4 Costs incurred directly by the corrective action shall be borne by SCHMID, if the complaint has been proven justified, as well as the costs of the replacement part including shipping. SCHMID shall also bear the costs for dismantling and installation.

7.5 Should SCHMID allow an appropriate grace period granted for remedy of defects to expire without results at SCHMID's own fault, the customer shall be entitled to claim reduction of the purchase price. The customer shall retain the right to claim reduction of the purchase price also in other cases of failure of remedy of defects. The customer shall be entitled to cancel the contract after giving notice only if the installation is demonstrably without interest to the customer despite the reduction of the purchase price.

## **8. OTHER LIABILITIES, LIMITATION OF LIABILITY**

8.1 Should an installation part delivered by SCHMID be damaged during installation through the fault of SCHMID, SCHMID shall have the choice of either repairing or replacing the part at his own expense.

8.2 Should the customer not be able to use the installed object as stipulated in the contract through the fault of SCHMID due to the omission or faulty execution of suggestions and advice given before or after conclusion of the contract and of other collateral contractual obligations - these being in particular instructions for operation and maintenance of the installed object -, the provisions of Articles 7. and 8 shall apply accordingly.

8.3 The Liability of SCHMID for damages is excluded insofar as is permitted by law. All exemption of liability does not apply for damages caused intentionally or by gross negligence or if the fault should concern a cardinal obligation and/or an owner or a director of the SCHMID. The exemption from liability shall moreover not apply in cases in which SCHMID is held liable for personal injury to life, to the body or to health.

8.4 SCHMID's liability is limited to the net value of the goods of the consignment from which the defective item originates. The liability is always limited to typically foreseeable damage. In no case the customer shall be entitled to claim for remote consequential damages (e.g. loss or reduction of production, downtime costs, loss of profit etc.).

## **9. COMPENSATION BY THE CUSTOMER**

9.1 Should the equipment or tools provided by SCHMID be damaged at the installation site or lost without fault on the part of SCHMID, the customer shall be obliged to compensate for such damages. Damage attributable to normal wear and tear shall be disregarded.

## **10. MISCELLANEOUS**

10.1 The place of performance and jurisdiction shall be the place of the registered office of SCHMID.

10.2 The Contract is governed by the laws of the Federal Republic of Germany. The United Nations' Convention on Contracts for the International Sale of Goods (CISG) shall expressly not apply.

10.3 The invalidity of any provision of these terms and conditions does not affect any part of the remaining provisions. The invalid provision will be replaced by one best achieving the economic purpose originally aimed at.

10.1 For all disputes arising from the contractual relationship place of jurisdiction is Freudenstadt. SCHMID may also have recourse to the court having jurisdiction over the district in which the branch establishment entrusted with assembly is located or to that of the district in which the buyer is located.

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