



GENERAL TERMS AND CONDITIONS OF DELIVERY AND SALE

OF ARMATURENWERK ALTENBURG GMBH

1. Scope

Any sales, deliveries and other services of ARMATURENWERK ALTENBURG GMBH (hereinafter referred to as "AWA") shall be based exclusively on the General Terms and Conditions of Delivery and Sale (hereinafter "Terms of Delivery"), which the Ordering Party recognizes by placing the order or by accepting the delivery. These Terms are an integral part of all contracts which AWA concludes with the Ordering Parties with respect to the deliveries or services offered by AWA. They shall apply also to any future business transactions with the Ordering Party even if they are not agreed on again separately. The application of any deviating or additional terms and conditions of the Ordering Party or any Third Party shall be excluded even if AWA does not explicitly reject them. Even if AWA refers to a letter containing the terms and conditions of the Ordering Party or a Third Party or any reference thereto, this shall not be construed as an acknowledgment of the applicability of these terms and conditions.

2. Conclusion of contracts

- 2.1 The offers submitted by AWA are not binding and subject to confirmation. A contract shall be concluded only when AWA confirms the offer in writing and shall be based exclusively on the contents of the order confirmation and these Terms of Delivery. Any oral agreements or commitments must also be confirmed in writing in order to be effective.
- 2.2 The legal relationship between AWA and the Ordering Party shall be governed exclusively by the contract entered into in writing, including these Terms of Delivery. This contract reflects the total of all agreements between the Parties with respect to the subject matter of the contract. Any oral commitments made by AWA before the conclusion of the contract shall not be legally binding and any oral agreements between the Parties shall be substituted by the written contract unless it is explicitly confirmed that they shall continue to be effective and legally binding. Any additions or modifications to the agreements entered into, including these Terms of Delivery, must be made in writing in order to be valid. Except for managing directors and persons having full power of attorney, the employees of AWA shall not be authorized to enter into any deviating oral agreements. The requirement of written form shall be fulfilled by sending a fax or an e-mail; in case of a transmission by e-mail, however, the statement contained therein shall be only valid if the sender adds his/her name and signs the electronic document with a qualified signature according to the Digital Signature Act. In case of a contract, the Parties must sign an identical document with a qualified electronic signature.
- 2.3 Any details provided by AWA regarding the goods or services offered (e.g. weight, dimensions, utility values, capacity, tolerances and technical data) as well as the corresponding presentation (e.g. drawings and illustrations) shall have only approximate validity unless an exact correspondence of data and values is required for the usability of the products for the contractually agreed purpose. They do not represent any warranted qualities but are only descriptions or characterizations of the product or service. Deviations that are usual in the trade or that are due to legal provisions or represent technical improvements as well as the replacement of components by equivalent parts shall be admissible as far as the use for the contractually agreed purpose is not impaired thereby.
- 2.4 AWA reserves all rights to the sales documentation (in particular illustrations, drawings, weight and dimension figures). They must not be made available to any Third Party and are to be returned to AWA immediately on request. Only after a prior written consent from AWA has been obtained shall it be admissible to pass such documents on to a Third Party.



- 2.5 AWA's fulfilment of the contract shall be conditional on the fact that there are no national or international provisions of Foreign Trade Law or no embargos (and/or any other sanctions) opposing such fulfilment.
- 2.6 In connection with deliveries from AWA, the Ordering Party agrees to refrain from the following business transactions in any case:
- (a) Business transactions with persons, organizations or institutions which are included in a sanction list pursuant to EU regulations or US export rules.
 - (b) Business transactions with embargo states which are prohibited.
 - (c) Business transactions for which the required approvals are missing.
 - (d) Business transactions which could be made in connection with ABC weapons for military end-use.
- 2.7 Any serious contravention, several or repeated contraventions against the Terms of Delivery shall be a reason for an immediate termination or another form of cancellation of the contractual relationship.

3. Delivery dates and deadlines

- 3.1 Delivery dates and deadlines shall only be binding if they have been confirmed in writing by AWA and if the Ordering Party has provided to AWA in due time all and any information and documentation required for an execution of the delivery and if any agreed down-payments have been received. The agreed deadlines shall start with the date of the order confirmation. In case of any additional orders or an extension of the order, the deadlines shall be extended accordingly. If shipment has been agreed, the delivery deadlines shall refer to the date when the goods are handed over to the forwarding company, carrier or any other party charged with the transportation. AWA, notwithstanding its rights from a default of the Ordering Party, may request an extension or postponement of the deadlines set for the delivery of products and services by the period of time during which the Ordering Party fails to comply with its contractual obligations vis-à-vis AWA.
- 3.2 Any unforeseen and unavoidable events as well as any events which are beyond AWA's scope of influence and for which AWA cannot be made responsible, such as Force Majeure, war, natural disasters, directives issued by public authorities, operational disorders of any kind, difficulties with the procurement of material and energy, delays in transportation, lack of labor, energy or raw materials, incorrect or delayed deliveries from suppliers, labour disputes and/or legal lockouts shall release AWA from its obligation to provide punctual delivery of goods or services for the duration of the event. Agreed deadlines shall be extended for as long as the event lasts; the Purchaser shall be informed appropriately about the occurrence of the event. If the end of the disturbance is not foreseeable or if the event lasts for more than three months, each Party shall be entitled to withdraw from the contract.
- 3.3 If the deliveries from AWA are delayed, the Purchaser shall be entitled to withdraw from the contract only if AWA is to be held responsible for the delay and if an adequate period of time set for the fulfilment of the delivery has lapsed fruitlessly.
- 3.4 If the Ordering Party is in default with the acceptance of the delivery or if it violates any other obligations to cooperate, AWA, subject to the provisions of section 4.3, shall be entitled to store the goods adequately at the risk and costs of the Ordering Party. Notwithstanding its other rights, AWA shall be entitled to withdraw from the contract if an additional period of time granted to the Ordering Party for the acceptance of the delivery has lapsed without success.
- 3.5 AWA shall be entitled to provide partial deliveries if the partial delivery can be used by the Ordering Party in the framework of the contractually agreed purpose, the delivery of the remaining goods is safeguarded and no additional expenses or costs arise for the Ordering Party as a result of the partial deliveries unless AWA agrees to bear these costs.

4. Shipment, Transfer of Risk, Insurance

- 4.1 As far as the Ordering Party has given no directives, it shall be within the reasonable discretion of AWA to ship the goods by an adequate means of transportation and in usual packaging.
- 4.2 The risk shall pass to the Ordering Party at the latest when the delivery items are handed over to the transportation or forwarding company, the carrier or any other Third Party responsible for executing the transportation or to the Ordering Party itself (the start of the loading process being decisive). This shall apply even when partial deliveries are made or when AWA has agreed to carry out additional services (e.g. dispatch or installation). When the handing over or dispatching of the goods is delayed for reasons for which the Ordering Party is responsible, the risk shall pass to the Ordering Party on the day when a ready-for-dispatch note regarding the delivery items has been issued.



4.3 The costs for storing the goods after the risk has passed to the Ordering Party shall be borne by the Ordering Party. In case of storage by AWA, the storage costs shall be 0.25 % of the invoice amount of the delivery items to be stored per full week.

4.4 AWA shall insure the good against loss due to theft, breakage, transportation, fire and water or any other insurable risks only upon Ordering Party's express request and at the latter's expense.

5. Prices, Terms of Payment

5.1 If the Contracting Parties have not agreed a particular price, the price shall be determined by the AWA price list valid at the date of the conclusion of the contract.

5.2 All prices of AWA are to be understood ex works without the applicable value added tax and any customs fees but including the costs for the usual packaging. Any special packaging shall be invoiced separately. Any additional and special services shall be invoiced separately.

5.3 The full amount of all invoices or any equivalent payment schedules shall be due for payment immediately after receipt. In case of non-payment, the Ordering Party shall be in default 30 days after the due date and receipt of the invoice or equivalent payment schedule, at the latest, without any further notice or reminder from AWA being required if the date for payment is not specified on the invoice or the equivalent payment schedule according to calendar.

5.4 In case of default in payment, AWA shall be entitled to charge the applicable rate of default interest. The right to claim any further damages for default shall remain unaffected.

5.5 Drafts and checks shall only be accepted on account of performance if this has been especially agreed and without any costs or fees for AWA; they shall be considered as payment only after they have been honored or cashed.

5.6 The Ordering Party shall be entitled to offset any amounts only if its counter-claim is undisputed or has been established as final and conclusive..

5.7 The Ordering Party shall be entitled to retain any payments only if its counter-claim is based on the same contract, is undisputed or has been established as final and conclusive.

5.8 If, after the conclusion of the contract, AWA recognizes that there is a risk that the Purchaser might not be able to perform, AWA shall be entitled to provide any outstanding deliveries only against advance payment or security. If the advance payments or the securities have not been provided even after an adequate additional period granted for performance has elapsed, AWA shall be entitled to withdraw, in whole or in part, from individual or all contracts concerned. AWA shall be at liberty to assert any further rights.

6. Agreement on Quality without Warranty

6.1 AWA shall warrant that the delivery item has the agreed quality at the moment of risk transfer; this quality shall be based exclusively on the concrete agreements concluded in writing between the Parties with respect to the properties, features and characteristics of performance of the delivery item.

6.2 AWA has not the intention and the contract between the Parties is not designed in such a way that AWA assumes any additional commitment (warranty) regarding the quality of the delivery item beyond the agreement on quality as defined in Paragraph 6.1.

6.3 Pursuant to Paragraph 6.2, any data contained in catalogues, price lists and any other information material provided to the Ordering Party by AWA shall in no way be deemed to represent any kind of warranty for a particular property of the delivery item.

7. Warranty, Obligation to Inspect

7.1 In accordance with the provisions set forth below in this Section 7, AWA shall provide warranty for any defects of the delivery items. Warranty shall not apply if the Ordering Party modifies the delivery item or has it modified by a Third Party



without AWA's consent, making thereby the remedy of defects impossible or complicating it in an unacceptable way. In any case, the Ordering Party shall bear the additional costs for the remedy of defects resulting from the modification.

- 7.2 The Ordering Party may claim any warranty rights only if it has inspected the delivery item after receipt and reported any defects in writing to AWA without delay, at the latest, however, two weeks after receipt; any hidden defects must be reported in writing to AWA immediately after they have been detected.
- 7.3 In case of any notice of defects, AWA shall be entitled to inspect and examine the delivery item which is the object of the complaint. The Ordering Party shall grant to AWA the necessary period of time and opportunity for this purpose. AWA shall also be entitled to request the Ordering Party to return the delivery item complained about to AWA at the Ordering Party's costs. If a notice of defects by the Ordering Party turns out to be unjustified, the Ordering Party shall be obligated to reimburse all expenses AWA incurred in this connection, e.g. travel expenses, installation or shipment costs.
- 7.4 Defects for which AWA has to provide warranty shall be remedied by AWA, at its own discretion, either by repairing the defect without any costs for the Ordering Party or by providing a part free from defects or by replacing the entire delivery item (supplementary performance).
- 7.5 The Ordering Party shall grant to AWA the necessary period of time and opportunity for the repair or the replacement delivery. Only in urgent cases, if the operational safety is at risk or if a disproportionately high damage is to be prevented or if AWA is in default with remedying the defect, shall the Ordering Party be entitled to remedy the defect itself or have it remedied by a Third Party once AWA has been informed and to request the reimbursement of all necessary costs from AWA unless the Ordering Party is responsible for bearing the costs in accordance with the last clause of Paragraph 7.3.
- 7.6 Any part replaced by AWA in the framework of supplementary performance pursuant to Paragraph 7.4 must be returned. AWA shall be entitled to take back any defective delivery items against reimbursement even outside the warranty period.
- 7.7 AWA shall not assume warranty for any damage caused by inadequate or inappropriate use of unsuitable equipment, improper assembly, incorrect commissioning, improper treatment or incorrect installation by the Ordering Party or due to natural wear and tear in so far as AWA is not responsible for such damage.
- 7.8 The expenses for material, shipment and labour required for the purpose of supplementary performance as well as any other costs shall be borne by AWA except for the additional costs arising due to the fact that the delivery item is at another place than the place of its intended use.
- 7.9 If AWA refuses seriously and definitely to fulfil the contract, if there are special circumstances which, carefully considering the mutual interests, justify the immediate assertion of other rights than those laid down in Paragraph 7.4, if the remedy of defects or the replacement delivery fails, is unacceptable for the Ordering Party or is refused by AWA in accordance with Section 439, Paragraph 3 of the German Civil Code because the costs of it would be disproportionately high, the Ordering Party, at its discretion and in accordance with the legal provisions, may withdraw from the contract, reduce the purchase price or request damages instead of the performance (and/or, where applicable, reimbursement of its expenses).
- 7.10 The period of limitation for any warranty claims concerning the delivery item shall be 12 months from the date of delivery at the Ordering Party's premises or, if acceptance is required, from the day of acceptance.

If AWA remedies the defect in the framework of supplementary performance (cf. Paragraph 7.4), the period of limitation shall be suspended for the time the remedy of the defect lasts and shall be extended accordingly. If a new item is delivered as replacement, a new period of limitation of 12 months for warranty claims shall start.

8. Damages and Limitation of Liability

- 8.1 The liability for damages of AWA, irrespective of the legal cause, in particular for impossibility, default, defective or wrong delivery, violation of the contract, violation of obligations during the contract negotiations or tortious act, as far as a fault of AWA must be given in all these cases, shall be limited in accordance with this Section 8.
- 8.2 AWA shall not be liable
- (a) in case of ordinary negligence of its bodies, legal representatives, employees or any other authorized agents;
 - (b) in case of gross negligence of its non-executive employees or any other authorized agents,
 - (c) as far as it is not a violation of any essential contractual obligations. Essential contractual obligations are the obligation



to provide deliveries and installation services in due time and free from any defects as well as any obligations of advice, protection and custody which are to permit the Ordering Party the use of the delivery item according to the contract or which aim at protecting the health and life of the Ordering Party's employees or of any Third Party or at protecting the Ordering Party's property against considerable damage.

- 8.3 As far as AWA is to be held liable for damages on the merits according to Paragraph 8.2, its liability shall be limited to the damage which could be foreseen by AWA as a possible consequence of a violation of the contract at the conclusion of the contract or which AWA, applying due diligence, should have foreseen considering the circumstances which were known to AWA or which AWA should have known. Furthermore, any indirect or consequential damage resulting from a defect of the delivery item shall be compensated only as far as such damage may be typically expected in connection with the appropriate use of the delivery item.
- 8.4 Paragraphs 8.1 - 8.3 shall apply to all claims for damages, irrespective of their legal cause, in particular also to liability for tortious act.
- 8.5 The above exclusions and limitations of liability shall apply to the same extent in favour of the bodies, legal representatives, employees and any other authorized agents of AWA.
- 8.6 As far as AWA provides technical information or consultation services and this information or these consultation services do not belong to the due range of services contractually agreed, this shall be done free of charge and without any warranty.
- 8.7 The restrictions of this Section 8 shall not apply to liability on the part of AWA for deliberate action, warranted properties, damage to life, limb and health or to liability under the Product Liability Act.
- 8.8 The Ordering Party shall be obligated to take appropriate measures for preventing and minimizing damage.

9. Retention of Title

- 9.1 The products delivered shall remain the property of AWA until all and any payments due to AWA under the business relationship with the Ordering Party have been settled.
- 9.2 In case of current accounts, the retained property shall serve as a security for the balance claims due to AWA.
- 9.3 The Ordering Party shall be entitled to sell the products delivered under retention of title only within the ordinary course of business. The Ordering Party shall not be authorized to pledge the products delivered under retention of title, to transfer them by way of security or to make any other dispositions endangering the property of AWA. Already today, the Ordering Party assigns the claims from the resale to AWA; AWA accepts this assignment already today. If the Ordering Party sells the products delivered under retention of title after processing or transformation or after combination with other products or together with other products, the assignment of claims shall be deemed to have been agreed only in the amount of the part which corresponds to the price agreed between AWA and the Ordering Party plus a security margin of 10 % of this price. The Ordering Party shall be revocably entitled to collect the claims assigned to AWA in its own name on behalf of AWA. AWA may revoke this authorization as well as the right to resell the products if the Ordering Party is in default vis-à-vis AWA with respect to essential contractual obligations such as payment.
- 9.4 If the products delivered under retention of title are combined with other objects, AWA shall acquire co-ownership of the new item proportionally to the value of the products delivered by AWA under retention of title as against the other objects at the moment of the combination. If the combination is made in such a way that the object of the Ordering Party is to be considered as the major item, it shall be deemed to have been agreed that the Ordering Party shall assign a co-ownership share to AWA according to proportion. The co-ownership share thus created shall be maintained for AWA by the Ordering Party.
- 9.5 The Ordering Party shall provide AWA, at any time, all and any information requested concerning the products delivered under retention of title or the claims assigned to AWA hereunder. Any access or claims to the products under retention of title by a Third Party shall be immediately reported to AWA by the Ordering Party and all necessary documents shall be provided. At the same time, the Ordering Party shall inform the Third Party about AWA's retention of title. The costs for defence against such access and such claims shall be borne by the Ordering Party.
- 9.6 During the period of the retention of title, the Ordering Party shall be obligated to treat the products delivered under retention of title with care.



- 9.7 If the realizable value of the securities exceeds the total of the payments due to AWA by more than 10 %, the Ordering Party shall be entitled to request a release in this respect.
- 9.8 If the Ordering party is in default with essential contractual obligations, such as payment, vis-à-vis AWA, the latter, notwithstanding any other rights, may take back the products delivered under retention of title and use them otherwise in order to satisfy its claims for payment vis-à-vis the Ordering Party. In this case, the Ordering Party shall immediately grant to AWA or the authorized representative of AWA access to the products delivered under retention of title and hand over these products. If AWA requests that the products be handed over on the basis of this provision, this shall not be considered as a withdrawal from the contract.
- 9.9 In case of deliveries in countries with other legal systems where the retention of title specified above does not have the same securing effect as in Germany, the Ordering Party shall use its best efforts to grant similar rights of security to AWA without delay. The Ordering Party shall cooperate in implementing all measures, such as registration, publication, etc., which are necessary for and conducive to the validity and enforceability of such rights of security.
- 9.10 At AWA's request, the Ordering Party shall be obligated to insure the products delivered under retention of title in an adequate way, to provide the corresponding evidence for the insurance to AWA and to assign the claims from the insurance contract to AWA.

10. Product Liability

If the Ordering Party sells the delivery items without any changes or after processing, transformation or combination with other products, it shall indemnify AWA from any claims raised for reasons of product liability by a Third Party as far as the Ordering Party is responsible for the fault that gives rise to the liability claims.

11. Industrial Property Rights

If the Ordering Party determines how AWA is to manufacture the products by providing certain instructions, data, documents, drafts or drawings, the Ordering Party shall warrant that the rights of any Third Party, such as patents, registered utility models or any other industrial property rights or copyrights, will not be violated by AWA. The Ordering Party shall indemnify AWA shall hold AWA harmless against any claim by a third party that may be raised because of such violation.

12. General Provisions

- 12.1 Any modifications and additions to the contract and/or these Terms of Delivery as well as any additional agreements must be made writing. This shall apply also to any modification to this requirement of written form.
- 12.2 If one provision of the contract and/or these Terms of Sale is entirely or partially invalid, this shall have no effect on the validity of the remaining provisions. The Parties agree to replace in this case the invalid provision by a valid provision which comes closest to the economic purpose of the invalid one.
- 12.3 If the Ordering Party is a merchant, a legal person under public law or a special fund governed by public law, the exclusive place of jurisdiction for all disputes from the contractual relationship shall be Altenburg. This shall also apply if the Ordering Party does not have a legal venue in the Federal Republic of Germany or if it has moved its usual place of residence abroad after the conclusion of the contract. AWA shall, however, be entitled to take legal action against the Ordering Party at any other place of jurisdiction available under the applicable law.
- 12.4 The law of the Federal Republic of Germany shall apply, the UN convention on contracts for the international sale of goods (CISG) being excluded.

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