

General Delivery Terms and Conditions

§ 1

General

1. The following General Delivery Terms and Conditions of AZ INTEC GmbH, Olbernhau (hereinafter, “AZI”), apply to all contracts, orders, and services, including consulting services, information, and the like. We work solely on the basis of our General Delivery Terms and Conditions. They apply to all current and future business relationships. Deviating, contrary, or supplementary general delivery terms and conditions of the customer do not form part of the contract, even in the case of awareness, unless their validity was expressly approved in writing.
2. Our offers are non-binding. All agreements first become binding with our written confirmation. The content of our confirmation is controlling solely for the contractual relationship. These General Delivery Terms and Conditions apply in all cases. Even absent of our express rejection of them in the case of a conflict between contract provisions, the general delivery terms and conditions of our contract partners are applicable only to the extent that they are consistent with our General Delivery Terms and Conditions.
3. The customer may assign rights under the contractual relationship to third parties only with our prior written consent.

§ 2

Delivery and delivery times

1. We retain title to quotes, drawings, and other documentation in connection with plant planning, including when same are sent out. We reserve all copyrights.

Absent our written consent, documentation may neither be reproduced nor made accessible to third parties. This also applies to electronic storage media and other types of data and information storage media.

Unless expressly agreed otherwise, the documentation forming part of our offers and/or our order confirmations – including images, as well as performance and weight details – is controlling within the scope of discrepancies customary in the trade.

2. Unless agreed otherwise, details concerning delivery times are non-binding. If a delivery time was expressly agreed upon, the satisfaction of this delivery obligation by us presupposes timely and proper satisfaction of the customer's obligation. The objection of unperformed contract remains reserved. The delivery deadline begins to run when the order confirmation is sent out, but not until all approvals and documentation necessary for executing the order are on hand and all issues material to this have been clarified. The delivery deadline is considered met if the ordered objects were sent out on time.
3. The customer may rescind the contract if contract performance is impossible or if we are in default, provided that we also fail to accomplish delivery by the end of a reasonable grace period set by the customer. Notice of rescission must be given in writing promptly after the reason for rescission occurs.
4. The customer's claims for compensation of damages due to delayed delivery or non-performance are precluded, unless we are guilty of wilful misconduct or gross negligence with respect to material contractual duties.
5. If the customer is in default in acceptance, or if it breaches other duties of cooperation, we are entitled to demand compensation for the damages incurred as a result, including any additional expenses. We are furthermore entitled to rescind the contract and demand compensation of damages due to non-performance if the customer continues to be in default in acceptance. The setting of a deadline is not required if the customer definitively refuses to accept the goods.

6. The shipment of the ordered objects is done at the customer's expense in the agreed manner (ex-works, free to the German border, FOB, CIF, etc.). We assume no liability for the choice of the lowest-cost type of shipment. The customer bears the packing costs, as well as expenses for transport insurance concluded at its request. Boxes and enclosures are charged to the customer at cost and are not taken back.
7. Partial deliveries are permissible, including without express agreement.
8. Risk passes to the customer, at the latest, when the delivery leaves our plant or commissioned warehouse. If despite our being ready to ship, dispatch is delayed for reasons for which we are not responsible, risk then passes to the customer not later than upon readiness for shipment.

This also applies where partial deliveries are made or where we have assumed additional services, such as shipping costs or delivery to destination. If inspection and acceptance is required to take place, this is controlling for the transfer of risk. It must be carried out promptly on the date for same or, in the alternative, following our notification of readiness for inspection and acceptance. The customer may not refuse to carry out inspection and acceptance where a non-material defect exists.

9. Upon receipt of the goods, the customer is obligated to issue and send to AZI at no charge a so-called "Gelangensbestätigung" (confirmation of arrival) that satisfies the requirements of sections 4, no. 1 b, and 6 a of the German Value-Added Tax Act (*Umsatzsteuergesetz*, UStG) in conjunction with section 17 a of the German Value-Added Tax Implementation Regulation (*Umsatzsteuer-Durchführungsverordnung*, UStDV).

§ 3

Prices

1. Applicable are the prices on the date of contract conclusion, if there are less than four months between contract conclusion and the agreed delivery date. If a delivery deadline of more than four months is agreed upon, we are entitled to pass on in the price any cost increases, including cost increases for materials and wages. Applicable in such case is the increased price on the day of delivery.

For transactions with companies, we are entitled until the date of delivery to pass on in the price any increases in manufacturing and procurement costs, including cost increases for materials and wages, under maintenance of the amount of our margin.

We are not entitled to increase the price if delays in delivery are demonstrably caused by us. We are also not entitled to do so if the change in manufacturing or procurement costs does not amount to at least 50% of the manufacturing or procurement costs taken as the basis for the price agreement. Upon request, we will demonstrate the reasons for the price adjustment, as well as the calculation of the amount.

2. Absent special agreement, prices are ex-works, including loading at the plant, but excluding packing and unloading. Applicable value-added tax is added to prices.

§ 4

Payment

1. Unless agreed otherwise, the purchase price is paid within 14 days of the date of invoice (date of sending), with a 2% discount for early payment, or within 30 days of the date of invoice (date of sending), net without deduction in cash or by bank transfer to our accounts.

2. The customer may not set off against our claims or exercise corresponding rights of retention, unless same are uncontested or are based on an enforceable judgment.
3. If, following conclusion of the contract, we become aware that the customer is in an unfavourable financial situation or that its assets have deteriorated, we are entitled, irrespective of any earlier agreements, to demand immediate payment in full of the purchase price or the posting of sufficient security or, if the customer fails to meet our demand, compensation of damages or to rescind the contract following prior warning or the setting of a grace period. This applies, in particular, if we should become aware of a reason for insolvency.

§ 5

Retention of title

1. We retain title to the purchased item until satisfaction in full of all claims under the business relationship with the customer.
2. In the event of conduct by the customer in breach of contract, including payment default, we are entitled to demand surrender of the purchased item. If we take back the purchased item, this constitutes rescission of the contract only if we give the customer written notice thereof. After taking back the purchased item, we are authorised to sell it and apply the proceeds therefrom toward the customer's liabilities, less reasonable costs of sale.
3. The customer is obligated to treat the purchased item with care. If the customer is a merchant, it must adequately insure the purchased item at replacement value and at its own expense against damage due to fire, water, and theft.

4. We retain title to the goods, irrespective of their stage of processing or form. Acquisition of title by the customer pursuant to section 950 BGB is precluded. The customer acquires potential title on our behalf and safeguards all goods on our behalf.

If our goods are commingled or combined with the customer's moveable items, the customer hereby assigns to us title or co-title to the commingled or combined objects and safeguards same on our behalf.

The customer is not entitled to combine our goods with a parcel of land until it has satisfied all claims under the business relationship with us. If the combination is nevertheless carried out, section 951 BGB applies. In addition, contractual claims, including claims for compensation of damages, remain unaffected.

5. The customer must give us prompt notice of liens or other third-party encumbrances, so that we can bring suit in accordance with section 771 of the German Code of Civil Procedure (*Zivilprozessordnung, ZPO*). If the third party is not capable of reimbursing us for the court and out-of-court costs of a lawsuit pursuant to section 771 ZPO, the customer is liable to us for the costs incurred as a result of the lawsuit.
6. The customer is entitled to resell the purchased item in the normal course of business. It hereby assigns to us, in the amount of the final invoice amount (including value-added tax) of our claim, all claims to which it is entitled against its purchasers or third parties from the sale of a plant delivery or of a comparable legal relationship. This applies irrespective of whether our goods have been previously processed or commingled or have been combined with moveable items. We hereby accept such assignment. The customer remains irrevocably authorised to collect on this claim, including after assignment. Our power to collect on the claim ourselves remains unaffected thereby. However, we undertake to refrain from collecting on the claim as long as the customer is meeting its payment obligations from the received proceeds, is

not in default in payment, and, in particular, has not applied for the opening of insolvency proceedings. If however this is the case, we can demand that the customer disclose to us the assigned claims and the parties owing them, provide all information necessary for collection, turn over the documents pertaining thereto, and notify the parties owing the claims about the assignment.

7. At the customer's request, we undertake to release the collateral to which we are entitled to the extent that the realisable value of our collateral exceeds the value of the claims being secured by more than 20%. We are responsible for choosing the collateral to be released.

§ 6

Warranty of characteristics and liability for defects

1. Specific characteristics are warranted only when expressly included in the contract. We reserve the ability to improve and optimise the quality of our products. Reference to DIN standards comprises the detailed description of the goods but is not a warranty of characteristics. The delivery of models or samples is non-binding, and it constitutes a warranty of characteristics only if this was expressly agreed upon in writing.
2. If the transaction is a commercial sale, the customer's claims for defects presuppose that it has properly met the duties to inspect and object owed by it under section 377 of the German Commercial Code (*Handelsgesetzbuch*, HGB). The purchased item must be promptly inspected for defects in materials and for transport damages. Objections to defects must be lodged within five working days. The deadline begins to run once the goods have been inspected and accepted by the customer.

The statutory rights with respect to warranties for defects remain unaffected for transactions that are not commercial sales, including consumers' rights with respect to warranties for defects.

3. If the purchased item has a defect, the customer is first entitled only to demand cure in the form of elimination of defects or delivery of a new, defect-free item. In the case of elimination of defects or replacement delivery, we are obligated to bear all expenses necessary for the purpose of the cure – including transport, road, labour, and materials costs – provided that these do not increase as a result of the fact that the purchased item was brought to a place different than the place of performance.
4. If the cure fails, or if we refuse to perform it because it is associated with unreasonable costs, the customer is entitled to demand rescission of the contract or reduction of the purchase price, at its discretion. Our rights based on impossibility of performance remain unaffected.

§ 7

Total liability

1. Liability for compensation of damages going beyond that envisioned above is precluded, irrespective of the legal nature of the asserted claim. This applies, in particular, to claims for compensation of damages based on *culpa in contrahendo*, on other breaches of duty, or on tort claims for compensation of property damage pursuant to section 823 BGB. Liability for culpable injury to life, body, or health, as well as for gross negligence or wilful misconduct, remains unaffected. This also applies to strict liability under the German Product Liability Act (*Produkthaftungsgesetz*).
2. The limitation of the duty to pay compensation for damages under subsection 1 also applies where instead of bringing a claim for compensation of damages

in lieu of performance, the customer demands reimbursement of fruitless expenses.

3. If our liability to compensate damages is precluded or limited, this also applies with respect to the personal liability to compensate damages of our executives, workers, employees, representatives, persons used to perform an obligation (*Erfüllungsgehilfen*).

§ 8

Data protection

We point out that data about the customer received with respect to the business relationship or in connection with it, regardless of whether this originates from the customer itself or third parties, is stored and processed in compliance with the requirements of the German Federal Data Protection Act (*Bundesdatenschutzgesetz*).

§ 9

Final provisions

1. Olbernhau is the place of jurisdiction, provided that the customer is a merchant. However, we are entitled to bring suit against the customer at the court where it is domiciled.
2. Unless indicated otherwise in the order confirmation, Olbernhau is the place of performance.
3. The law of the Federal Republic of Germany is applicable. The applicability of the United Nations Convention on Contracts for the International Sale of Goods is precluded.

4. If individual provisions in these General Delivery Terms and Conditions should be or become ineffective, all other provisions remain in full force and effect. In place of the ineffective provisions, the parties undertake to agree on those that most closely approximate the ineffective provisions in economic terms.
5. Deviations from contractual arrangements and side agreements must be made in writing. This also applies to waiver of the requirement of written form.

Olbernhau, 1 October 2013