

Terms and Conditions for the Sale and Delivery of Goods and Services by Getzner Materials (Beijing) Co., Ltd.



§1 Scope of application

(1) All supplies of our goods and the provision of our services (e.g. calculations, measurements, the selection of materials, consultations/recommendations, installations (including graphic representations, planning etc), briefing on and acceptance of the supplied products) shall be governed by the following terms and conditions ("Terms"). These Terms are applicable also to future transactions, even if these were not explicitly incorporated by reference as part of the contract in a particular case. By acceptance or execution of our offer, the customer is deemed to have unrestrictedly acknowledged these Terms. Oral side agreements and deviations from our Terms shall be valid only if we have confirmed these in writing. Where explicitly agreed otherwise by way of a written instrument signed by both parties in exceptional cases, these deviations are applicable exclusively to that particular transaction.

(2) These Terms shall also apply to any transactions between us and any of our customer's affiliated companies. The customer shall procure that each of its affiliated companies accepts and complies with these Terms.

(3) Terms and conditions of the customer or of third parties do not apply, unless we have explicitly approved these in writing. Even our reference to a letter containing or referring to the terms and conditions of the customer or of a third party shall not be construed as our consent to the application of those terms and conditions.

§2 Offer, acceptance, acknowledgement of order and no assignment

(1) Our offers are non-binding and subject to change. We accept orders by way of a written acknowledgement of order, which can be sent to the customer by post, fax or e-mail. We may refuse to accept an order without giving reasons. Any liability claims on this ground are explicitly excluded.

(2) Amendments and modifications of the agreements reached and of these Terms are valid only if made in writing.

(3) Quality, properties, form, design and functionality of samples may be different from the supplied goods/provided services.

(4) The customer may not assign its claim to the supply of goods or the provision of the subject-matter of the contract to others.

§3 Prices

(1) Unless otherwise agreed, our prices on the date of the conclusion of the contract shall be net prices in CNY ex works, including customary packaging. The customer shall pay for special packaging (e.g. unit package, packing for sea shipment).

(2) If goods are supplied/services provided at a later point in time for reasons within the customer's sphere, we will be entitled to charge higher prices to compensate the resulting higher costs, notwithstanding our right to compensation of any other damage we have suffered.

(3) The customer shall pay all taxes, customs duties and other levies payable by the customer when taking over the supplies/services, unless we have accepted an explicit obligation in writing to make payment.

§4 Place of performance, delivery, late delivery, default in acceptance, acceptance

(1) Place of performance and place where each contract with us is entered into shall be our registered office at Beijing, Chaoyang District, even if it was agreed to supply the goods/provide the services elsewhere.

(2) Goods are dispatched and transported at the customer's expense and risk. Any risk will transfer to the customer as soon as the consignment is offered to the customer or the carrier at the place of performance. If the customer does not accept the consignment, the customer shall be deemed to be in default of accepting such consignment. Furthermore, our consignment shall be deemed to have been made and we are entitled to store the goods at the customer's expense. The resulting storage costs shall be refunded to us without delay. The risk for services shall transfer to the customer as soon as the customer has taken over the services. The payment of the compensation, the commitment to pay the compensation, the use of services for their intended purpose or their use for any other follow-up work shall constitute takeover of our services.

(3) We are entitled to make partial deliveries or provide partial services only if these are of interest to the customer given the purpose of the contract and if the customer does not incur any substantial extra efforts therefrom. All contractual provisions are also applicable to partial deliveries and partial services.

(4) If we are unable to make supplies or provide services at the agreed date due to unforeseeable temporary circumstances beyond our control (including without limitation force majeure, delays in supplies from sub-suppliers, shortage of raw materials, substantial breakdown of machinery etc.), we will be entitled to make supplies or provide services at the next date which is possible for us, provided that the customer can reasonably be expected to accept the supplies/services at that date. To the extent that the customer cannot reasonably be expected to accept the supplies or services due to the delay caused by temporary circumstances, the customer may terminate the contract, without any liability on our part, by giving written notice without delay. Should these events make it considerably more difficult or impossible for us to supply the goods or provide the services and if the impediment is not only temporary, we may terminate the contract without any liability on our part.

(5) In case of international shipments the non-grant of an import license to the customer will not release the customer from its performance obligation.

(6) The time for the supply of goods and/or provision of services are non-binding and always approximate, unless we have explicitly agreed in writing on a firm deadline. In case such firm deadline is agreed, to comply with this deadline it is necessary that all commercial and technical issues are clarified between the parties and that the customer has fulfilled all its obligations, e.g. submission of the necessary public permit or approval and having made an advance payment. If this is not the case or in case of subsequent changes of any kind, the time for delivery will be reasonably extended. On request, we will inform the customer of the new delivery date or issue a new acknowledgement of order.

(7) The deadline for delivery is complied with if the goods or services have left our factory or we have notified the customer that the goods are ready for dispatch until the expiry of the deadline. This applies also in case acceptance is necessary.

(8) If acceptance is necessary, the delivered goods/services shall be deemed to have been accepted if the consignment/service is complete and we have asked the customer to accept the goods/services in reliance on the provisions of this Section 4 (8), and if (i) 12 business days have lapsed since the delivery of the goods/service, (ii) the customer has started to use the purchased item and, in this event, 6 business days have lapsed since the delivery of the goods/service or if (iii) the customer has failed to accept the goods/services within these deadlines for any reason other than a defect notified to us which makes it impossible to use or substantially affects the use of the goods/service.

§5 Warranty

(1) We grant no warranties whatsoever, except as explicitly set forth in these Terms or in case we agree thereto in an express written agreement. We warrant that the subject-matter of the contract (supply of goods or service) corresponds to our product and service specifications on the moment of delivery and until 24 months thereafter, unless otherwise specified in the contract. By inspecting these product and service specifications, the customer shall inform itself of our products and services and their properties, including but not limited to manufacturing tolerances, materials and the properties and functionality thereof.

(2) A condition for any warranty rights is that the customer inspects the goods or services immediately upon delivery and notifies us immediately in case of any defects. Unless the customer notifies us in writing of defects within ten business days after delivery of the goods, the customer shall be deemed to have approved the delivered goods in respect of apparent defects or other defects that a prompt and careful inspection would have revealed. As for other defects, the deliverables shall be deemed to have been approved by the customer, unless we have received a notification of defects within three business days from the point in time at which the defect was discovered; should the customer have discovered the defect earlier during normal use, that earlier date shall be relevant for the commencement of the notification period. It is always the customer's responsibility to prove the defectiveness of the delivered goods/service.

(3) Incriminated goods may be returned only with our explicit prior consent at the customer's cost and risk. If goods are returned without our prior consent, we may refuse to accept the returned goods and send them back at the customer's costs.

(4) In case of defects in goods, the customer is entitled to, at our discretion, subsequent performance in the form of rectification of the defects or delivery of a defect-free item. If subsequent performance is materially unsuccessful, the customer may request us to reduce the purchase price with a reasonable amount given the nature of the defect, or terminate the contract without any further liability on our part.

(5) We do not provide any warranty in particular in the following cases: inexpedient or improper use, improper transport or storage, defective assembly or commissioning by the customer or third parties, regular wear and tear, wear parts, incorrect or negligent treatment, improper maintenance, unsuitable operating materials, defective construction work, unsuitable foundation, chemical, electro-chemical or electric impact or use of unsuitable building materials.

(6) Furthermore, we do not provide any warranty if the customer changes or procures changes by third parties of the delivered goods without our consent, making the rectification of defects impossible or unreasonably difficult. In any event, any extra costs of having to rectify defects due to changes shall be borne by the customer.

(7) Should the customer become aware - in whatever way - of circumstances, which would make the delivered product defective, the customer shall notify us without delay.

§ 6 Liability

(1) To the extent permitted by law, we shall not be liable in case of slight negligence.

(2) Furthermore, unless in case of intentional infringement of the contract, our liability to compensate damage shall be limited to direct, predictable typical damage. We are therefore not liable for consequential damage, including but not limited to lost profit or costs of reclaiming the goods. If we are in default with respect to an agreed delivery deadline and still fail to deliver after being granted a reasonable grace period, while the customer suffers any damage therefrom, the customer may demand compensation for such default equal to maximum 3 % of the value of that part of an entire consignment and/or entire service which - due to the delay - could not properly be used or could not be used in conformity with the contract. If in such case the customer sets a reasonable deadline for performance - in consideration of the legal exceptions - and we do not meet this deadline, the customer will be entitled to terminate the contract according to the legal provisions, but without any further liability on our part.

(3) To the extent permitted by law, our liability with respect to each contract or order shall be limited to the respective order value of our goods and services under such contract or order. However, (i) should our products be used in aircraft, passenger vehicles or ocean vessels and (ii) should the respective order value be higher than CNY 3 million, our aggregate liability shall be limited to an amount of CNY 3 million, to the extent permitted by law. This applies in particular to costs of installation and dismantling.

(4) We are not liable for cases where the delivered products are defective due to having been incorporated into the products of the customer or its buyers. We are not liable either if the delivered goods were incorrectly produced, stored or supplied due to instructions given by the customer (e. g. construction details, specifications, plans, models or regulations for storage or transport).

(5) For the avoidance of doubt, our products are neither intended nor fit for nor was their fitness tested for an application in passenger vehicles and/or in aviation (hereinafter collectively "Special Applications"). It is strictly prohibited to use our products for Special Applications without our express written consent and we do not accept any risk in this context. Risk and responsibility of using our products for Special Applications are exclusively and solely borne by the customer, and the latter will fully hold harmless and indemnify us in this respect.

(6) Notwithstanding the above, liability for culpable harm to life, limb or health, for characteristics explicitly guaranteed by us in writing, as well as liability that cannot be excluded under applicable law shall not be affected.

(7) Unless explicitly stated otherwise above, our liability shall be excluded.

§ 7 Reservation of proprietary rights

(1) We retain the proprietary rights to the delivered goods until such time as the customer has fulfilled all its obligations, including but not limited to the payment of the full purchase price (goods being under reservation of proprietary rights). We may reclaim the goods if the customer infringes the contract and is in default with payment.

(2) We may insure the delivered goods at the customer's cost and expense against theft, damage caused by breakage, fire, water as well as any other damage, unless the customer has demonstrably purchased such insurance.

(3) Unless the customer has paid the purchase price in full, the customer may not resell, pledge or assign the delivered goods as security without prior written consent. The customer shall notify us without delay in writing if the goods are pledged, seized or otherwise disposed of by third parties.

(4) If the customer resells goods being under reservation of proprietary rights, customer already assigns to us all claims arising from such resale or any other realization up to the amount of our purchase price (including VAT). The customer undertakes to record the assignment in its books. Until further notice, the customer may collect these assigned claims in its own name but for our account. The customer is obliged to reserve for itself the proprietary rights to the goods even if goods being under reservation of proprietary rights are resold on credit.

(5) The delivered goods are always installed or processed by the customer on our behalf. Where the delivered goods are installed or processed together with other items not owned by us, we will become the joint owner of the new item in proportion of the value of the delivered goods compared to the other items. Moreover, the item created via processing is governed by the same provisions as the goods delivered under reservation of proprietary rights.

(6) The customer assigns to us its insurance benefits or claims for compensation of damage arising from the destruction of or damage to the goods being under reservation of proprietary rights.

(7) Goods being under reservation of proprietary rights may not be pledged or assigned for security.

(8) If we assert our proprietary rights by reclaiming the goods, we may dispose of the goods by private sale or auction. The goods are reclaimed at the generated proceeds, yet not exceeding the originally agreed price. We reserve the right to claim compensation for damage.

§ 8 Payment, default, retention

(1) Place of performance for payments shall be our registered office at Beijing, Chaoyang District.

(2) The purchase price is payable without any deduction, free and clear of costs and charges, within 30 days of the invoice date.

(3) If the purchase price is not paid when due, we will be entitled (the claims in the following five sub-items can be enforced individually or in connection with each other):

- to postpone the fulfilment of our obligations until the arrears were paid,
- to reasonably extend the time for the delivery of goods or the provision of services,

- to demand immediate payment of the entire outstanding purchase price,
- to charge all dunning and collection expenses as well as legal default interest or

- to terminate the contract if the customer does not make payment within a reasonable grace period; even if the contractual performance is severable, we may terminate the contract in its entirety and lodge claims for the compensation of lost profit.

(4) If execution proceedings are conducted in respect of the customer's assets or if the customer's ability to pay is questionable, we are entitled:

- to demand immediate payment of all receivables, regardless of due dates,
- to withhold all deliveries and services under still non-performed contracts and to provide these only against advance payment. Should the customer refuse to pay in advance, we may withdraw from the contract and lodge claims for the compensation of lost profit.

(5) The purchase price is due for payment without delay if the customer is in default of acceptance.

(6) Regardless of any other dedicated purpose, payments are always credited to cover the earliest debt and the resulting interest and cost.

§ 9 Setoff and customer's retention right

The customer may set off counterclaims and assert a retention right only if its counterclaims are uncontested or were finally established in court.

§ 10 Property rights

(1) We are proprietors of all intellectual property rights (inter alia patents, trademarks, designs, copyrights etc), whether registered, applied for registration, registrable or non-registrable, in respect of plans, drafts, cost estimates, technical documentation, samples, catalogues, prospectuses, illustrations, tools, software and similar materials and data which were provided to the customer ("Materials"). Any use, including but not limited to the reproduction, dissemination, publication, communication to the public and demonstration of Materials beyond the use contractually agreed between the parties shall require our explicit consent. To the extent that the delivered goods contain property rights, the customer is awarded the non-exclusive right to use the delivered goods, including their documentation, for their intended purpose.

(2) Should the customer apply for registration of an industrial property right, of which our supplied Getzner products are a component, the customer shall obtain our prior written consent. We explicitly prohibit any unauthorized application for registration of a property right by the customer without our consent. After grant of the property right, we shall have, in any event, a free and non-exclusive right to use the entire property right applied for. The customer undertakes to transfer and assign that obligation to its legal successors.

(3) The use and display of products and services in public (for example as reference) requires our express written consent.

(4) Any documents or information about us, our products, distributors or other customers made available to the customer or which come otherwise to the customer's attention may not be passed on or otherwise made available to third parties, including but not limited to our competitors. This shall also apply to documents such as samples, drawings, drafts, cost estimates or advertising materials made available to the customer or which come to the customer's attention in any other way. We are entitled to all rights to these documents.

(5) The customer guarantees that the drawings, sketches, models etc. made available by it are not encumbered by rights of third parties. The customer will hold harmless and indemnify us for and against all claims brought by third parties against us due to an infringement of rights to any of the above items. If such rights are asserted, we may withdraw from the contract without notice and immediately discontinue our supplies/services without examination of the legal situation and without the customer being entitled to assert any claims vis-à-vis us.

§ 11 Jurisdiction and applicable law

(1) These Terms and any contract between us and customer shall be gov-

erned by and construed in accordance with the laws of the People's Republic of China (without giving effect to the provisions of International Private Law and the UN Sales Convention).

(2) All disputes arising out of or in connection with these Terms or any contract between us and customer shall exclusively be referred to the competent court having local and subject-matter jurisdiction at our registered office in Beijing, Chaoyang District. This provision shall not affect mandatory legal provisions on exclusive venues.

(3) However, we may bring claims against the customer before any other court having jurisdiction.

§ 12 Final provisions

(1) A contract may not be challenged on the ground of error or shortfall exceeding fifty percent.

(2) Should any term hereof, or any term in an agreement between us and customer, be invalid or unenforceable or become invalid or unenforceable after conclusion of the contract, the remaining terms of the contract shall not be affected. An invalid or unenforceable term shall be replaced, by way of supplementary interpretation of the contract, by a valid and enforceable term, which closest reflects the economic purpose the parties have intended to pursue with the invalid or unenforceable term. This applies also in case the contract should have any gap.

(3) Any formal notice or communication by us shall be deemed received by customer if sent by courier to customer's address as registered with the Administration of Industry and Commerce, or its address as specified in the contract, or by email to an email address of the customer as specified in the contract.

(4) These Terms are, and any contract or other document between us and customer may be, made out in English and Chinese. Should any conflict between the English version and the Chinese version arise, the English version shall prevail.

We hereby confirm that we have carefully read, well acknowledge and agree to the above Terms and Conditions, and we further confirm that these Terms and Conditions shall apply to all our past, current and future agreements and transactions with Getzner Materials (Beijing) Co., Ltd.

Company Chop

[customer name]

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