

General Terms of Sales and Delivery

Valid for all companies of Sanhua / Aweco Gruppe

1. Scope
 - 1.1. These General Terms shall govern legal transactions between business enterprises, namely the delivery of commodities and likewise the rendering of services.
 - 1.2. Any departure from the terms and conditions mentioned in 1.1. above shall be valid only if expressly accepted in writing by the Seller.
2. Submission of offers
 - 2.1. Seller's offers shall be deemed offers without engagement.
 - 2.2. Tender documents and project documentation must not be duplicated nor made available to third parties without the permission of Seller. They may be claimed back at any time and shall be returned to Seller immediately if the order is placed elsewhere.
3. Closing of contract
 - 3.1. The contract shall be deemed concluded upon written confirmation by Seller of an order received or upon dispatch of a delivery.
 - 3.2. Particulars appearing in catalogues, folders etc. shall only be binding if express reference is made to them in the confirmation of the order by Seller.
 - 3.3. Subsequent amendments of or additions to the contract shall be subject to written confirmation.
4. Prices
 - 4.1. Prices shall be quoted ex works or ex Seller's warehouse excluding packing and packaging, loading and turnover tax. Buyer shall be liable for any and all charges, taxes or other duties levied in respect of the delivery. If the terms of delivery include transport to a destination designated by Buyer, transport costs as well as the cost of any transport insurance desired by Buyer shall be borne by the latter. Delivery does not, however, include unloading and subsequent handling. Packaging materials will be taken back only by express agreement.
 - 4.2. Seller reserves the right to modify prices if the order placed is not in accordance with the offer submitted.
 - 4.3. Prices are based on costs obtaining at the time of the first quotation. In the event that the costs have increased by the time of delivery, Seller shall have the right to adjust prices accordingly.
 - 4.4. In carrying out repair orders, Seller shall provide all services deemed expedient and shall charge Buyer for the same on the basis of the work input and/or expenditures required. The same holds for any services or additional services the expediency of which becomes apparent only as the repair order is executed. In such an event special notification of Buyer shall not be required.
5. Delivery
 - 5.1. The period allowed for delivery shall commence at the latest of following dates:
 - a) the date of order confirmation by Seller;
 - b) the date of fulfilment by Buyer of all the conditions, technical, commercial and other, for which he is responsible;
 - c) the date of receipt by Seller of a deposit or security before delivery of the goods in question.
 - 5.2. Buyer shall obtain whatever licenses or approvals may be required from authorities or third parties for the construction of plant and equipment. If the granting of such licenses or approvals is delayed for any reason, the delivery period shall be extended accordingly.
 - 5.3. Seller may carry out, and charge Buyer for, partial or advance deliveries. If delivery on call is agreed upon, the commodity shall be deemed called off at the latest one year after the order was placed.
- 5.4. In case of unforeseeable circumstances or circumstances beyond the parties' control, such as all cases for force majeure, which impede compliance with the agreed period of delivery, the latter shall be extended in any case for the duration of such circumstances; these also include armed conflicts, official interventions and prohibitions, delays in transport or customs clearance, damages in transit, energy shortage and raw materials scarcity, labour disputes, and default on performance by a major component supplier who is difficult to replace. The aforesaid circumstances shall be deemed to prevail irrespective of whether they affect Seller or his subcontractor(s).
6. Passage of Risk and Place of Performance
 - 6.1. Use and risk shall pass to Buyer at the time of departure of the goods ex works or ex warehouse regardless of the terms of quotation (such as carriage paid, c.i.f. etc.) agreed upon. This provision also includes the case of shipment being effected, organised and supervised by Seller and the case of delivery being made in connection with assembly work to be undertaken by Seller.
 - 6.2. For services the place of performance shall be the place at which the service is rendered; the risk with respect to such services or any part thereof that may have been agreed upon shall pass to Buyer at the time the services have been rendered.
7. Payment
 - 7.1. Unless otherwise agreed, payment shall fall due at the time of delivery. Irrespective thereof the turnover tax comprised in the amount of invoice shall be paid within 30 days of the invoice date.
 - 7.2. In the case of part settlements the individual part payments shall fall due upon receipt of the respective invoices. The same shall apply to amounts invoiced for additional deliveries or resulting from additional agreements beyond the scope of the original contract, irrespective of the terms of payment agreed upon for the principal delivery.
 - 7.3. Payment shall be made: in cash without any discount free Seller's domicile in the agreed currency. Drafts and cheques shall be accepted on account of payment only, with all interest, fees and charges in connection therewith (such as collection and discount charges) to be borne by Buyer.
 - 7.4. Buyer shall not be entitled to withhold or offset payment on the grounds of any warranty claims or other counterclaims.
 - 7.5. Payment shall be deemed to have been effected on the date at which the amount in question is at Seller's disposal.
 - 7.6. If Buyer fails to meet the terms of payment or any other obligation arising from this or other transactions, Seller may without prejudice to his other rights
 - a) suspend performance of his own obligations until payments have been made or other obligations fulfilled, and exercise his right to extend the period of delivery to a reasonable extent.
 - b) Call in debts arisen from this or any other transaction and charge default interest amounting to 1,25% per month plus turnover tax from these amounts beginning with the due dates, unless Seller proves costs exceeding this. In any case Seller has the right to invoice all expenses arising prior to a lawsuit, especially reminder charges and lawyer's fees.
 - 7.7. Discounts or bonuses are subject to receipt of complete payment in due time.
 - 7.8. Seller retains title to all goods delivered by him until receipt of all amounts invoiced including interests and charges. Buyer herewith assigns his claim out of a resale of conditional commodities, even if they are processed, transformed or combined with other commodities, to Seller to secure the latter's purchase money claim, and he undertakes to make a corresponding entry in his books or on his invoices. Upon request Buyer has to notify the assigned claim and the debtor thereof to Seller, and to make all information and material required for his debt collection available and to notify the assignment to the third-

party debtor. If the goods are attached or otherwise levied upon, Buyer shall draw attention to Seller's title and immediately inform Seller of the attachment or levy.

8. Warranty and acceptance of obligations to repair defects

- 8.1. Once the agreed terms of payment have been complied with, Seller shall, subject to the conditions hereunder, remedy any defect existing at the time of acceptance of the article in question whether due to faulty design, material or manufacture, that impairs the functioning of said article.
- 8.2. Unless special warranty periods operate for individual items the warranty period shall be 6 months. These conditions shall also apply to any goods supplied, or services rendered in respect of goods supplied, that are firmly attached to buildings or the ground. The warranty period begins at the point of passage of risk according to paragraph 6.
- 8.3. The foregoing warranty obligations are conditional upon the Buyer giving immediate notice in writing of any defects that have occurred. Buyer shall make available to Seller all material and data required for expert valuation of the defect and causes thereof. Upon receipt of such notice Seller shall, in the case of a defect covered by the warranty under 8.1 above, have the option to replace the defective good or defective parts thereof or else to repair them on Buyer's premises or have them returned for repair, or to grant a fairer and reasonable price reduction.
- 8.4. Any expenses incurred in connection with rectifying defects (e.g. expenses for assembly and disassembly, transport, waste disposal, travel and site-to quarters time) shall be borne by Buyer. For warranty work on Buyer's premises Buyer shall make available free of charge any assistance, hoisting gear, scaffolding and sundry supplies and incidentals that may be required. Replaced parts shall become the property of Seller.
- 8.5. If an article is manufactured by Seller on the basis of design data, design drawings, models or other specifications supplied by Buyer, Seller's warranty shall be restricted to non-compliance with Buyer's specifications. Seller shall not be liable for used articles sold by him or for repairs, conversion or modification work.
- 8.6. Seller's warranty obligation shall not extend to any defects due to assembly and installation work not undertaken by Seller, inadequate equipment, or due to non-compliance with installation requirements and operating conditions, overloading of parts in excess of the design values stipulated by Seller, negligent or faulty handling or the use in inappropriate materials, nor for defects attributable to material supplied by Buyer. Nor shall Seller be liable for damage due to acts of third parties, atmospheric discharges, excess voltage and chemical influences. The warranty does not cover the replacement of parts subject natural wear and tear.
- 8.7. The warranty shall lapse immediately if, without written consent of Seller, Buyer himself or third party not expressly authorised undertakes modifications or repairs on any items delivered. Invoices for such repairs or modifications will not be honoured by Seller. Remedying defects shall not give rise to an extension of the original warranty period.
- 8.8. The provisions of sub-paragraphs 8.1. to 8.7. shall apply to all cases where the obligation to repair defects has to be accepted for other reasons laid down by law.

9. Liability

- 9.1. Outside the scope of the Product Liability Act, Seller shall be liable only if the damage in question is proved to be due to intentional acts or acts of gross negligence, within the limits of statutory provisions. Seller shall not be liable for damage due to acts of ordinary negligence nor for consequential damages or damages for economic losses, loss of savings or interest or damage resulting from third-party claims against Buyer.
- 9.2. Seller shall not be liable for damages in case of non-compliance with instructions for assembly, commissioning and operation (such as are contained in instructions for use) or non-compliance with licensing requirements.

10. Assertion of Claims

All Claims to which Buyer is entitled must be asserted in court within three years from passage of risk as specified under paragraph 6, unless shorter limits of time are prescribed by law, otherwise claims shall become forfeited.

11. Industrial property rights and copyrights

- 11.1. Buyer shall indemnify Seller and hold him harmless against any claims for any infringement of industrial property rights raised against him if Seller manufactures an article pursuant to any design data, design drawings, models or other specifications made available to him by Buyer.
- 11.2. Design documents such as plans and drawings and other technical specifications as well as samples, catalogues, prospectuses, pictures and the like shall remain the intellectual property of Seller and are subject to the relevant statutory provisions governing reproduction, imitation, competition etc.. The provisions of 2.2 above shall also cover design documents.

12. General

Should individual provisions of the contract or of these provisions be invalid, the validity of the other provisions shall not be affected. The invalid provision shall be replaced by a valid one which comes as close to the target goal as possible.

13. Jurisdiction and Applicable Law

Any litigation arising under the contract including litigation over the existence or non-existence thereof shall fall within the exclusive jurisdiction of the competent court at Seller's domicile, that is A-5112 Lamprechtshausen. The contract is subject to Austrian law. Application of the UN Convention on Contracts for the International Sale of Goods is renounced by the Contracting Parties.

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