

GENERAL TERMS AND CONDITIONS OF DELIVERY

I. Fundamentals

1.

Any and all our deliveries and services are based upon the General Terms and Conditions of Delivery cited hereinafter unless otherwise expressly stipulated by separate contractual agreements concluded in this respect. Customer's terms purchase other than those stipulated herein will not become subject matter of contract even upon acceptance of order. Contracts will come about only after our written confirmation of order.

2.

We reserve property rights and copyrights in any and all services, samples, cost estimates, drawings, software and other information provided. Such information should not be transferred to third parties by the recipient or buyer. In return, we covenant to treat information provided by the buyer likewise. Cost incurred after conclusion of contract shall be borne by the buyer in case of any cancellation and/or modification thereto.

3.

As far as software is included in the scope of delivery, such software shall always be performance-relevant – any use for other services or systems is strictly forbidden!

II. Prices and payments

1.

Our prices shall be understood ex works loading included (for shipment of components manufactured in series CFA (Free Carrier)) plus VAT to the current legal extent, however, without packaging, unloading, freight and insurance expenses.

2.

The buyer shall generally effect payment without any deduction on account i.e. 30 % of total price upon procurement; 60 % of total price after notification that the goods to be delivered are ready for shipment and acceptance; 10 % of total price within one month after transfer of risks (runoff). Invoicing for components manufactured in series shall take place for each batch delivered. The period allowed for payment is 30 days net each.

3.

The buyer is not entitled to withhold payments or set them off against any counterclaims unless such counterclaims have been unquestionably and indefeasibly justified.

4.

We expressly reserve the right of ownership in all deliveries up to receipt of all payments arising out of the relevant legal transaction. In case of default in payment, the buyer shall be obliged, among others, to return the relevant deliveries at our discretion.

III. Time of delivery and delay in delivery

1.

Times of delivery shall be agreed upon with the buyer. Respect of the time of delivery supposes that all commercial and technical issues have been settled amicably between the contracting parties and the buyer has fulfilled all obligations incumbent to him, for instance, has furnished required official permits and/or licenses, has fulfilled the terms of payment agreed under Section II./2. herein according to the respective state of performance, and all additional services (sample parts, runoff parts or components) have been provided to the contractor in due time. If not so, the time of delivery extends reasonably according to the buyer's delay in performance.

2.

In particular, the respect of contractually agreed time of delivery is also subject to the reservation as to oneself correctly obtaining required supplies from subcontractors in due time. We will notify the buyer of any imminent delay thereof as soon as possible.

GENERAL TERMS AND CONDITIONS OF DELIVERY

3.

The time of delivery is regarded as met when the delivery due exits our factory close to the date of delivery and/or we have notified the buyer of readiness for shipment in writing.

To the extent as any in-plant runoff has to be carried out, the runoff date shall be regarded as decisive criterion for respect of delivery time, alternatively, the notification of readiness for shipment.

4.

If shipment and/or acceptance of the goods are delayed for reasons not incumbent to us, we shall be entitled to charge the buyer for cost incurred due to said delay further to the performance one month at the latest after notification of readiness for shipment.

5.

If we fall into arrears with delivery according to the contractually agreed times of delivery exclusively for reasons incumbent to us and the buyer suffers any damage therefrom explicitly evidenced by him, a lump-sum compensation for delayed performance shall be limited to 0.5 % of contract price per calendar week up to a maximum of 5 % of contract price, calculated from the value of the part of total consignment that cannot be used in due time or according to contract as a consequence of said delay in delivery. Any other damages for delay are expressly excluded.

IV. Transfer of risks, acceptance

1.

Transfer of risks – from supplier to buyer – takes place at the moment of acceptance; at the earliest, when the delivery has left our factory and also even if partial shipments are delivered, upon in-plant acceptance, alternatively upon notification of the buyer of readiness for acceptance.

The buyer shall be obliged to accept deliveries and to perform the in-plant acceptance procedure immediately after notification of readiness for acceptance unless a substantial lack was detected as a consequence of which the delivery/work would not be ready for acceptance.

2.

If shipment and/or in-plant acceptance are delayed or ceased due to circumstances not incumbent to us, the risk will transfer to the buyer right from the day of the notification of readiness for shipment and acceptance. We undertake to arrange for insurances at the buyer's expenses, however, against advance payment as far as required.

3.

Partial shipments are permitted at any time to the extent as reasonable for the buyer.

V. Quality, dimensional and quantitative variances

Our Quality Management System (QMS) is based upon the stipulations of ISO 9001 2008, the dimensional and quantitative variances of VSM shall apply, alternatively, pursuant to DIN-standards.

VI. Warranty and liability

1.

We principally grant warranty of title and quality for our deliveries and services in compliance with contractually agreed nature for a period of 24 months as from the date of transfer of risks with the exception of prototype manufacture, pilot-run parts, equipment provided by the customer, wear parts, and consumables.

Prototype and pilot-run parts are sample parts for test purposes; any use thereof for series production is excluded.

2.

If the delivery or performance is found defective contrary to aforesaid obligations, we are entitled to remedy up to 100% freedom from defects. Any other claims of buyer with regard to remedy of defects are eliminated hereby.

Replaced parts will become our property.

3.

By the way, warranty and liability are subject to the relevant legal regulations. Any defects shall be notified to us immediately i.e. without undue delay after handing-over of our performance contractually due.

We warrant for bought-in parts for a maximum period of 24 months as from the date of purchase and/or provision.

GENERAL TERMS AND CONDITIONS OF DELIVERY

4.

Any claim for warranty, however, necessitates respect of the provisions set forth by us in the technical documentation. In case of any infringement thereof, any claims for warranty/liability will become null and void. The buyer covenants to cooperate in the actions taken for remedy.

5.

The buyer acknowledges that the development of user-specific software is subject to the peculiarity not to function perfectly at once according to contract, as the case may be. That is why any remedy of software is predominantly done by the replacement of revised versions.

We warrant that our data volumes are free from defects; the software was duplicated properly and is able to run under normal conditions of operation. Any other use outside the delivered performance is strictly forbidden.

The buyer covenants to use the software only within the scope of law (§§ 69 a et seq. Copyright Act) and to maintain authenticity of manufacturer's specification, in particular, copyright notices.

6.

We will be liable for defects incurred outside our performances – for any legal reason whatsoever – only if any willful infringement of statutory duties or protective law can be imputed on us.

7.

The following agreement shall further apply to the shipment of components manufactured in series:

The following shall apply to claims for damages raised by the Employer for any legal reason whatsoever: Claims raised by the Employer for compensation of profit losses, damages due to production breakdowns and damages not incurred on the delivered goods as such but only indirectly by them (consequential damages) are excluded. By the way, we will be liable for damages only up to the invoiced value of our consignment. Exclusion / limitation of liability shall also apply in favor of our employees, staff members, legal representatives, and agents.

VII. Copyrights, patent rights, trademark rights

1.

Copyrights, patent and trademark rights as well as know-how and associated practical knowledge and experience as disclosed by us, as the case may be, in quotations, drafts, drawings, design projects, software etc. shall remain our property.

The buyer is not allowed to reproduce or copy aforesaid documentation, to use it otherwise, disseminate it to third parties or to communicate about it.

2.

As to services rendered by us according to drawings, patterns, samples or other documentation provided by the buyer, the buyer shall bear sole responsibility even for that rights of third parties are not infringed thereby. If, with reference to protection of title, any third party forbids us the manufacture, delivery and development of services in compliance with drawings, patterns, samples of the buyer, we shall have the right, without justification of legal situation, to cease our actions associated therewith. Any consequential cost incl. claims for damages arising therefrom shall then be borne by the buyer.

VIII. Confidentiality

We covenant and oblige the buyer to make use of any documentation, talks (also including samples, patterns, and data) and knowledge from mutual business relationships only for the jointly pursued objective and to keep them strictly confidential as against third parties if the respective contracting partner designates them as confidential or notifies particular interest therein in writing. This obligation commences upon establishment of business relationship and shall end 36 months after termination of business relationship at the earliest.

IX. Place of performance, legal venue, applicable law

The legislation of Federal Republic of Germany shall exclusively apply without any recourse to UN Sales Law. The principal place of performance shall be Chemnitz, SITEC Industrietechnologie GmbH, Bornaer Strasse 192, 09114 Chemnitz.

Legal venue shall be the Chemnitz Official or District Court unless the buyer's domicile has been contractually agreed between the parties as place of performance. The choice of legal venue shall be at our discretion.

Aforesaid stipulation as to the place of venue shall also apply if the buyer does not have a general place of venue in the Federal Republic of Germany.

GENERAL TERMS AND CONDITIONS OF DELIVERY

X. Miscellaneous

Any transfer of rights and duties of the buyer from the contract concluded with us will need our written consent to become effective.

If some stipulations set forth in the present General Terms and Conditions of Delivery are or become null and void, the validity of other stipulations shall not be affected thereby.

SITEC Industrietechnologie GmbH