

General Terms and Conditions (GTC)

Section 0

General

1. Orders and deliveries from the AZ Group and its affiliated companies (see Appendix) are to be made exclusively on the basis of these general terms and conditions. Conditions of the supplier or customer that contradict or deviate from these terms and conditions are only considered as accepted if they are confirmed in writing by the customer or supplier as an addition to these general terms and conditions.
2. These general terms and conditions apply to existing and future contracts with the supplier or customer until new general terms and conditions apply.
3. If separate written supply contracts and / or quality assurance agreements or other provisions deviating from these general terms and conditions are agreed between the supplier or customer and the purchaser or supplier, these general terms and conditions shall apply subordinately and in addition.
4. We feel bound by the code of conduct of the BME Code of Conduct, which is based on the 10 principles of the UN Global Compact. We expect our contractual partners and their contractual partners to recognize this code of conduct and how we act according to it.



Section 1**General Terms and Conditions of Purchase (GTCP)****Section 1.1****Offer, order, ownership of documents**

- 1- The preparation of offers is free of charge, binding and must be made in writing.
2. Orders, contracts and delivery schedules as well as changes and additions to them must be made in writing.
3. Oral agreements before, during or after the conclusion of the contract, in particular subsequent changes and additions to these terms and conditions of purchase as well as ancillary agreements of any kind, require the purchaser's written confirmation to be effective.
4. If the supplier accepts an order or a delivery schedule, he must provide the customer with an order confirmation within three days. If the supplier does not accept an order within one week of receipt, the customer is entitled to revoke it. Delivery schedules are considered accepted if the supplier does not object within one week of receipt.
5. If the supplier does not accept an order unconditionally and unchanged, but submits an offer that deviates from our order, a contract will only come into existence once it is confirmed by us in writing.
6. We reserve all property rights and copyrights to images, drawings, calculations and other documents. They may not be made accessible to third parties without our express written consent. They are to be used exclusively for production based on our order. After the end of the business relationship, all documents must be returned to us without being asked to do so. They are to be kept secret from third parties.



Section 1.2
Delivery, delay in delivery

1. The delivery dates agreed in the order are binding, unless otherwise agreed.
2. The supplier is obliged to notify us immediately in writing if circumstances arise or become apparent to him from which it emerges that the agreed delivery time cannot be adhered to. The receipt of the goods at the customer's plant to be supplied or at the place of delivery specified by the customer is decisive for compliance with the delivery date.
3. We are entitled to statutory claims in the event of a delay in delivery. In particular, the customer is entitled to demand compensation for damages instead of performance and withdrawal after a reasonable grace period has expired without result. If the customer demands compensation, the supplier has the right to prove that he is not responsible for the breach of duty.
4. In the event of default, the customer is entitled to demand a contractual penalty amounting to 0.5% of the value of the delayed delivery / service per completed week, up to a maximum of 5% of the total order value. The contractual penalty will be offset against the total asserted damage caused by the default. The reservation of the contractual penalty may be declared to the supplier within one week of receipt of the delayed service. We hereby expressly reserve the right to make further legal claims.
5. The unconditional acceptance of the delayed delivery or service does not contain any waiver of claims for compensation and contractual penalties to which the customer is entitled due to the delayed delivery or service.
6. Partial deliveries are generally not permitted unless the customer has expressly consented to them.



Section 1.3

Prices, terms of delivery and payment

1. The price shown in the order is binding and includes VAT at the statutory rate, unless otherwise stated.
2. All deliveries are to be made with freight and other charges prepaid, including the costs for packaging, and at the risk of the supplier to the acceptance point specified by us. (DDP-Delivered Duty Paid, ICC Incoterms 2020)

We shall not bear any costs for transport insurance unless this has been expressly agreed otherwise.

3. All invoices are to be sent to us in digital form immediately. Our order number must be stated in the invoices. The invoice must meet the requirements of Section 14 of the German UStG [VAT Law].
4. Unless otherwise agreed, payments will be made within 14 days of receipt of an invoice in accordance with Paragraph 3 with a 3% discount or within 30 days net.
5. The assignment of claims against us is only effective with our express consent. Subsequent introductions and increases in public charges and taxes, freight costs, wages, materials or other price-forming factors are to be borne by the supplier.



Section 1.4 **Investigation of and liability for defects**

1. Immediately after receipt, the customer shall check the goods for any discrepancies in quantity, incorrect deliveries and any externally visible damage. The check for compliance with the quantity and identity of the delivered goods is to be carried out at least based on the delivery documents. Defects that cannot be identified during this inspection are considered hidden defects. The notification of defects is deemed to be timely if it is sent to the supplier within a period of two weeks from receipt of the goods or, in the case of hidden defects, from discovery. The purchaser is not responsible for any more extensive checks and notifications than the aforementioned.
2. All deliveries or services are to be provided to the customer free of material and legal defects. They must correspond to the agreed quality.
3. We are entitled to the full statutory claims for defects. In any case, the purchaser is entitled to demand that the supplier shall either rectify these defects or else deliver a new item, as we choose. The right to compensation, in particular the right to compensation instead of performance, is expressly reserved.
4. The customer is entitled to remedy the defect himself or to have it carried out by a third party at the expense of the supplier if the supplier does not comply with a request for improvement within the set period or is in default.
5. In principle, the customer has the right to choose the type of supplementary performance. The supplier can refuse the type of supplementary performance chosen by the customer if it is only possible at disproportionate costs.
6. Unless otherwise agreed, the limitation period for claims for defects is three years, starting from the transfer of risk. Longer statutory limitation periods remain unaffected.



7. The supplier is obliged to pay a flat fee of EUR 50.00 for every complaint that is justified by the customer. The assertion of further expenses shall remain unaffected. The supplier is permitted to prove that no expenses or else significantly lower expenses were incurred.
8. Deliveries must comply with EU Directive 2011/65 / EC ("RoHS") on restrictions on the use of hazardous substances and be in compliance with Article 59 Para. 1 and Article 33 of Directive (EC) No. 1907/2006 ("REACH"). The supplier must inform the purchaser of the registration number of the substances subject to registration immediately upon submission of the offer, and at the latest upon delivery. A delivery is considered defective if no notification has been made and the delivery contains a substance that is subject to registration.

Section 1.5

Product liability, indemnity and liability insurance coverage

1. Insofar as the supplier is responsible for product damage, he is obliged to indemnify us from third party claims for damages upon first request insofar as the cause is within his sphere of control and organization and he is personally liable to us or third parties in the external relationship.
2. As part of his liability for damage within the meaning of Paragraph 1, the supplier is also obliged to reimburse any expenses that arise from or in connection with a recall campaign carried out by us. The customer shall inform the supplier about the content and scope of the recall measures to be carried out - as far as is possible and reasonable - and give him the opportunity to comment. Our other statutory claims remain unaffected.
3. The supplier undertakes to maintain product liability insurance with a coverage of EUR 10 million per instance of personal injury and property damage - flat rate.



If we are entitled to further claims for damages, these shall remain unaffected.
Such insurance must be proven at the request of the customer.

Section 1.6

Property rights

1. The supplier guarantees that in connection with his delivery no rights of third parties, in particular patent and trademark rights as well as designs and other commercial property rights, are infringed nationally or internationally.
2. If a third party therefore makes a claim, the supplier is obliged to release us from these claims upon first written request. If we conclude a settlement or a comparable agreement with the third party in order to avoid a legal dispute or in the context of a legal dispute, these shall only bind the supplier if he agrees to the agreement beforehand.
3. The supplier's obligation to indemnify relates to all expenses that we necessarily incur from or in connection with claims by a third party.
4. The limitation period is three years, starting from the transfer of risk.



Section 1.7**Retention of title, provision, tools and confidentiality**

1. Items provided by the customer to the supplier, as well as documents, samples, models, data, etc., shall remain the property of the customer. The processing, conversion or installation of items provided by the supplier by the purchaser is to be carried out for the customer. If the processing, conversion or installation leads to an inseparable connection or mixing of the customer's items with items belonging to the supplier or a third party, the customer acquires co-ownership of the new item in proportion to the value of the item provided to the other items contained in the new item at the time of the loss of property. If the connection, mixing or processing takes place in such a way that the customer's item is to be regarded as the main item, it is agreed that the supplier shall transfer sole ownership of the new item to the customer. The supplier retains the sole ownership or joint ownership for the customer. Extended or expanded reservations of title by the supplier are not recognized, so that a reservation of title declared by the supplier only has the effect of a simple reservation of title for the customer.
2. The ownership of tools and devices is expressly reserved. The supplier is also obliged to use the tools exclusively for the production of the goods ordered by the customer. The supplier is obliged to adequately insure the tools at their replacement value at his own expense against fire, water and theft. At the same time, the supplier hereby assigns all claims for compensation from this insurance. The supplier is obliged to carry out any necessary maintenance and inspection work as well as all maintenance and repair work on the tools at his own expense. The supplier must report any incidents immediately.
3. The supplier is obliged to keep secret all illustrations, drawings, calculations and other documents and information received.



They may only be disclosed to third parties with the express consent of the customer. The confidentiality obligation also applies after this contract has been completed. It expires if and to the extent that the manufacturing knowledge contained in the illustrations, drawings, calculations and other documents has become generally known.

4. Upon termination of the business relationship, the supplier undertakes to hand back all documents within the meaning of. Paragraph 5 and all items provided to him are to be returned immediately.

Section 1.8

Declaration of origin, export control

1. If necessary, the supplier shall provide the purchaser with a supplier's declaration or all other documents required by the customs administration or another authority in accordance with Implementing Regulation (EU) 2015/2447 free of charge.
2. The supplier must meet all requirements of the applicable national and international foreign trade law.
3. All expenses and damage that the customer incurs as a result of a breach of the above obligations are to be borne by the supplier, unless the supplier is not responsible for the breach of duty.



Section 2

General Terms of Delivery (GTD)

Section 2.1

Delivery and delivery time

1. Cost estimates, drawings and other documents within the scope of the work planning shall remain our property even if they are dispatched. We reserve all copyrights to them. The documents may not be reproduced or made accessible to third parties without our written consent. This also applies to electronic storage media or other types of data and information carriers. The documents belonging to our offers and / or our order confirmations, in particular images, as well as performance and weight specifications, are authoritative within the scope of the customary deviations, unless otherwise expressly agreed separately.
2. Delivery times are non-binding unless otherwise agreed. If a delivery time has been expressly agreed, the fulfilment of this delivery obligation by us requires the timely and proper fulfilment of the customer's obligation. The exception of the unfulfilled contract remains reserved. The delivery period begins with the dispatch of our order confirmation, however, but not before all permits and documents that are necessary for the execution of the order are available and all relevant questions have been clarified. The delivery deadline is deemed to have been met if the ordered items are dispatched on time.
3. The customer can withdraw from the contract if fulfilment of the contract becomes impossible or if we are in default, provided that we do not effect the delivery within a reasonable grace period set by the customer. Withdrawal is to be declared in writing and immediately after the reason for the withdrawal occurs.



4. Claims for damages by the customer due to late delivery or non-performance are hereby excluded, unless we are guilty of wilful intent or gross negligence with regard to essential contractual obligations.
5. If the customer is in default of acceptance or if he violates other obligations to cooperate, we are entitled to demand compensation for the damage we incur as a result, including any additional expenses. We are also entitled to withdraw from the contract and to demand compensation for non-performance if the customer is still in default of acceptance. A deadline is not required if the customer finally refuses to accept the goods.
6. The items ordered are dispatched at the customer's expense, in the agreed manner (ex works, free German border, FOB, CIF, etc.). We do not assume any liability for the choice of the cheapest shipping method. The customer shall bear the packaging costs as well as all expenses for transport insurance taken out at his request. Boxes and crates will be charged to the customer at cost and will not be taken back.
7. Part deliveries are also permitted without an explicit agreement.
8. The risk is transferred to the customer at the latest when the delivery leaves our factory or the commissioned warehouse. If dispatch is delayed despite our readiness for dispatch for reasons for which we are not responsible, the risk is transferred to the customer at the latest when readiness for dispatch is made. This also applies if partial deliveries are made or we have undertaken other services, e.g. if we have taken over the shipping costs or the delivery. If an acceptance has to take place, this is decisive for the transfer of risk. It must be carried out immediately on the acceptance date, alternatively after our notification of readiness for acceptance. The customer may not refuse acceptance in the event of a minor defect.
9. The customer is obliged to issue a confirmation of arrival at the respective company of the AZ group upon receipt of the goods and to send it free of charge, which meets the requirements of Section 4 No. 1 b of the German UStG [VAT Law], Section 6 a UStG pursuant to Section 17 a of the German UStDV [Turnover Tax Implementing Regulation] is sufficient.



Section 2.2

Prices

1. The prices on the day the contract was concluded apply if there are less than four months between the conclusion of the contract and the agreed delivery date. If a delivery period of more than four months has been agreed, we are entitled to pass on cost increases in the price, in particular, any increases in material and wage costs. The higher price on the day of delivery then applies. In transactions with companies, we are entitled to pass on increases in manufacturing or acquisition costs in the price, in particular increases in material and wage costs, while maintaining the amount of our margin, up to the day of delivery. The right to a price increase does not exist if the delivery delays were demonstrably caused by us. Furthermore, it does not exist if the change in the manufacturing or acquisition costs does not amount to at least 50 percent of the manufacturing and acquisition costs on the basis of which the price was agreed. We will provide evidence of the reasons for the price adjustment and the calculation of the amount upon request.
2. In the absence of a special agreement, the prices apply ex works including loading in the works, but excluding packaging and unloading. Value Added Tax at the respective statutory rate is added to the prices.

Section 2.3

Payment:

1. Unless otherwise agreed, the purchase price is to be paid within 14 days of the invoice date (dispatch date) with a 2 percent discount or within 30 days of the invoice date (dispatch date) net without deduction in cash or by transfer to our accounts.
2. Offsetting against our claims or corresponding rights of retention of the customer are excluded, unless these are undisputed or have been legally established.



3. If we become aware of an unfavourable financial situation or a deterioration in the customer's financial situation after the conclusion of the contract, we are entitled, regardless of previous agreements, to demand immediate full payment of the purchase price or adequate security or, if the customer does not comply with our request, to demand compensation or to withdraw from the contract after giving prior warning or setting a grace period. This is especially true if we become aware of a reason for bankruptcy.

Section 2.4

Retention of title

1. We reserve title to the purchased item until all claims from the business relationship with the customer have been paid in full.
2. If the customer acts in breach of contract, in particular in the event of default in payment, we are entitled to reclaim the purchased item. If we take back the purchased item, we only withdraw from the contract if we notify the customer of this in writing. After taking back the purchased item, we are authorized to dispose of it; the proceeds from the sale are to be offset against the customer's liabilities - less reasonable disposal costs.
3. The customer is obliged to treat the purchased item with care. If the customer is a merchant, he has to insure the purchased item sufficiently at its replacement value against fire, water and theft at his own expense.
4. We remain the owner of the goods, regardless of the processing stage or form in which they are. Acquisition of ownership by the customer according to Section 950 of the German BGB [Civil Code] is excluded. The customer acquires any property for us and stores all goods for us. If our goods are mixed or combined with the customer's movable property, the customer shall hereby transfer ownership or co-ownership of the mixed or connected objects to us and store them carefully for us. The customer is only entitled to connect our goods to property after all claims from the business relationship with us have been settled.



If the connection is made anyway, then Section 951 of the German BGB applies. Contractual claims, and in particular claims for damages, remain unaffected.

5. In the event of seizures or other interventions by third parties, the customer must notify us immediately so that we can take legal action in accordance with Section 771 of the German ZPO [Code of Civil Procedure]. If the third party is unable to reimburse us for the judicial and extrajudicial costs of a lawsuit in accordance with Section 771 of the German ZPO, the customer is liable for the costs we incur as a result of the lawsuit.
6. The customer is entitled to resell the purchased item in the ordinary course of business. He already now assigns to us all claims in the amount of the final invoice amount (including sales tax) of our claim that arise from the sale of a works delivery or a comparable legal relationship against his customers or third parties. This applies regardless of whether our goods have previously been processed, mixed or combined with movable objects. We already accept this assignment. The customer remains revocably authorized to collect this claim even after the assignment. Our authority to collect the claim itself remains unaffected. However, we undertake not to collect the claim as long as the customer meets his payment obligations from the proceeds received, is not in default of payment and, in particular, no application has been made to open insolvency proceedings. If this is the case, however, we can demand that the customer notify us of the assigned claims and their debtors, provide all information required for collection, hand over the associated documents and notify the debtors of the assignment.
7. We undertake to release the sureties to which we are entitled at the customer's request, insofar as the realizable value of our securities exceeds the value of the claims to be secured by more than 20 percent. The selection of the sureties to be released is incumbent on us.



Section 2.5

Assurance of properties and liability for defects

1. The assurance of certain properties is only given if the properties are expressly included in the contract. We reserve the right to improve and optimize the quality of our products. A reference to DIN standards includes the more detailed description of the goods, but no guarantee of properties. The delivery of samples or test pieces is non-binding and only represents an assurance of properties if this has been expressly agreed in writing.
2. If the transaction is a commercial purchase, the customer's claims for defects presuppose that the customer has properly complied with his inspection and complaint obligations in accordance with Section 377 of the German HGB [Commercial Code]). The purchased item must be checked immediately for material defects and transport damage. Complaints must be made within five working days. The period begins when the goods have been accepted by the customer. The statutory warranty rights for transactions that are not commercial purchases, in particular the warranty rights of consumers, remain unaffected.
3. If there is a defect in the purchased item, the customer is initially only entitled to request supplementary performance in the form of either rectification of the defect or else the delivery of a new, defect-free item. In the case of rectification of defects or replacement delivery, we are obliged to bear all expenses necessary for the purpose of supplementary performance, in particular transport, travel, labour and material costs, insofar as these are not increased by the fact that the purchased item has been brought to a location other than the place of performance.
4. If the supplementary performance fails or if we reject it because it is associated with disproportionate costs, the customer is entitled, at his option, to withdraw from the contract or else to demand a reduction in the purchase price. Our rights due to impossibility of performance remain unaffected.



Section 2.6

Joint liability

1. Any further liability for damages than that provided above is hereby excluded, regardless of the legal nature of the asserted claim. This applies in particular to claims for damages due to negligence when concluding the contract, due to other breaches of duty or due to tortious claims for compensation for property damage in accordance with Section 823 of the German BGB [Civil Code]. The liability for culpable injury to life, body or health as well as for gross negligence or intent remains unaffected; this also applies to mandatory liability under the German Product Liability Act.
2. The limitation of the liability for damages according to Paragraph 1 also applies if the customer requests reimbursement of useless expenses instead of a claim for damages instead of performance.
3. Insofar as our liability for damages is excluded or limited, this also applies with regard to the personal liability for damages of our employees, workers, staff, representatives and vicarious agents.

Section 3

Data privacy

We would like to point out that the data received about the customer in relation to the business relationship or in connection with it, regardless of whether it comes from the customer himself or from third parties, will be stored and processed in compliance with the requirements of the German Federal Data Protection Act.



Section 4

Final provisions

1. The place of jurisdiction for all legal disputes is Olbernhau. However, the customer or supplier is also entitled to sue the supplier or customer at the court of his registered office, his branch or at the court of the place of performance.
2. Unless otherwise stated in our order confirmation, the place of performance is Olbernhau.
3. If our partner (supplier, customer) does not have a registered office in Germany, all disputes that arise from these general terms and conditions or any legal relationships based on these terms and conditions shall be finally decided in accordance with the rules of arbitration of the International Court of Arbitration (DIS) with the exclusion of ordinary legal recourse. The arbitration tribunal consists of three persons, the place of arbitration is Chemnitz, and the language of the arbitration tribunal is German.
4. The law of the Federal Republic of Germany shall apply exclusively. The validity of UN sales law is hereby excluded.
5. Should individual provisions of these general terms and conditions be or become ineffective, this shall not affect the validity of the remaining provisions. The parties undertake to replace the ineffective provisions with those that come closest to the ineffective provisions in economic terms.
6. Deviations from the contractual rulings and side agreements must be made in writing. This also applies to a waiver of the requirement for the written form.
7. Only the German language version is authoritative for the interpretation of these general terms and conditions.

Olbernhau, March 8th, 2021



Appendix**Affiliates**

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