

Terms & Conditions

1. Object of Sales Contract

The Supplier has agreed to manufacture and supply to the Purchaser lifts of certain specifications, as pre-agreed among the Parties and mentioned in Annex A attached hereto to form integral part hereof (hereafter called "Contract Products").

2. Payment Terms

The above sale price of the Products shall be paid in two instalments.

2.1 The first one amounts to 30% of the total value of this contract and should be paid within one week after the confirmation of the Contract.

2.2 The remaining 70% shall be paid one (2) weeks before the shipment of the Contract Products. A1 drawings will be given when the Supplier receives the 30% pre-payment and before production of the Contract Products begins.

The Supplier reserves title to the Products of the order or part of the order until receipt of all payments and receipt of the Products by the Purchaser.

2.3 If, at any point from the offer quotation to manufacture of the goods, the raw material costs of copper, aluminium alloy, inox alloy and steel scrap increase by an average of 10%, as determined by the London Metal Exchange(www.lme.com), Supplier reserves the right to unilaterally increase, and the Purchaser agrees to pay in full, the price thereof. The above provision will not apply as long as a) in case the Purchaser fully pays the value of the order within five (5) banking days since the order confirmation and b) delivery takes place no later than eight (8) weeks after payment or within the delivery time indicated by the Supplier if delivery is not feasible within 8 weeks.

2.4 If, at any point from order confirmation to dispatch of the goods, the transportation costs increase by more than 20% of the price shown in the order confirmation document, Supplier reserves the right to charge, and the Purchaser agrees to pay in full, the total increased price thereof.

3. Delivery Schedule

The Supplier shall deliver the Contract Products (**EXW KUNHSAN**, 8 weeks from customer written confirmation of the order's technical specifications and SPV or A1 drawings plus customer's settling the payment.)

4. Delays

4.1 In case the Purchaser fails to pay the first instalment, according to Clause 2.1, the Supplier shall postpone the commencement of production. **If failure to pay the first instalment exceeds 6 months, the Supplier shall have the right to withdraw from the contract and demand compensation for sustained damages, which in any case amount at least to 5% of the order's value. In case the Purchaser fails to pay the second instalment, according to Clause 2.2, the Supplier shall postpone the ex-works delivery of the Products and Clause 7.4 shall apply accordingly.**

The delay of production commencement and of ex-works delivery shall be at least equivalent as the delay of the payment

4.2 It shall be observed by the Supplier subject to the provision of the order that all technical and commercial issues have been clarified between the two parties to the contract/agreement or order confirmation document and that the Purchaser has satisfied all its obligations such as the provision of necessary certificates or licenses issued by public authorities or effecting a down payment. If this

is not the case, the terms of delivery shall be subject to corresponding delay without the obligation of a prior notice from the Supplier to the Purchaser.

5. Force Majeure

5.1. Neither party can be held responsible for non-fulfilment of the Contract or for any delay, provided the party proves that this is caused by force majeure, including, but not limited to, fire, export and import prohibitions, currency restrictions, war, civil disturbance, strikes, terrorism, epidemics, pandemics, diseases or public health emergencies specifically including but not limited to the COVID-19 outbreak or any other event similar to those described above (including but not limited to governmental interventions and restrictions, guidelines by public/social authorities, suspension of activities, modifications to working conditions and schedules, travel restrictions, internal company policies/measures/guidelines aimed to ensure the safety of employees and partners) or other obstructions beyond its control, which it could not reasonably have avoided or limited.

5.2. The party which does not fulfil the Contract because of force majeure reasons is obliged without delay to inform in writing the other party of the obstruction(s) and the implication of this for the fulfilment/performance of the Contract. The party is furthermore obliged loyally to co-operate in the limitation of the consequences in a force majeure situation.

5.3. If force majeure circumstances last longer than 90 calendar days, then either party shall be entitled to refuse from further fulfilment of obligations under the Contract. In this case the Contract shall be cancelled and the Parties shall make mutual settlements according to actually fulfilled obligations.

6. Supplier's obligations

6.1. The Supplier warrants that the Contract Products shall be of good material and workmanship, free from defects and in accordance with the specifications.

6.2. The Supplier shall not assume any liability and shall be under no obligation whatsoever, with regards to the following cases:

Unsuitable or improper or negligent use (including possible beneficial use of the product or its use for transport of persons/loads prior to the certification of the product or prior to handover to the final client), faulty installation and/or improper or faulty or no compliant with the Supplier's instructions shipping/commissioning by the ordering party or third parties, incompatibility of a product/subsystem with other manufacturers' products/subsystems natural wear and tear, improper or negligent maintenance, unsuitable supplies, defective construction work, faulty or improperly constructed or no compliant with the Supplier's specifications and the functional conditions installation space (suggestively lift-shaft space, engine room etc), unsuitable building estate, interference by unauthorized person to any mechanical or electronic elements of the product, chemical, electronic or electric influences, non-performance of all necessary testing of the safety components according to the Standards EN 81.20, 81.50 and the local regulations, as applicable from time to time – unless the Supplier is responsible for such circumstances by a specific written agreement.

6.3. To be more precise, the following cases are not covered by any guarantee:

a. Wears to lift parts due to damages, corrosion, moisture attributed to inappropriate transportation, storing, handling, installation or use of the products as stated in the product manuals provided by the Supplier.

b. Wears due to inappropriate lift installation or installation of any mechanical or electrical lift parts

by unauthorized by the Supplier personnel as stated in the product manuals provided by the Supplier.

c. Damages due to the supply of the mains current electrical network, provision of unsuitable electrical current (e.g. non-constant provision of three-phase current, use of generator etc.), weather conditions (e.g. floods, thunders etc.) or any other destructive external causes.

d. Wears to car parts or wooden parts subject to: moisture or rain or extremely humid environment or being installed within a 300m range from sea

e. Damages on surface of stainless steel door and car panels after their protective plastic cover has been removed.

6.4. Unless none of the above stated cases of no guarantee provision is valid, the Supplier guarantees for the good operation of its lift components for 24 months from the date of dispatch from KLEEMANN's factory. If delivery of the Products has to be taken by the Purchaser, or if the Purchaser refuses to take delivery, the guarantee will commence on the date of the Supplier's notification of the readiness to perform delivery.

6.5 During the respective above stated guarantee period, the Supplier reserves the right to assume the responsibility to further evaluate and decide on his own whether he will repair or supply the Purchaser with any necessary replacement parts for defective parts provided that:

a. The cause of the defect for the specific lift part is attributed solely to the manufacturer and no damage has been caused due to the no-guarantee conditions stated above

b. The handling, installation, maintenance and use instructions for the lift products have been applied as stated by the Supplier or in general by the manufacturer of the order component.

The Supplier shall not bear any working/ labor costs during the above stated guarantee period.

6.6 If improper rework has been performed by the Purchaser or by a third party on items provided by the Supplier, the Supplier shall not assume any liability for any consequences resulting there from. This shall also apply to any modifications of the provided items performed without the Supplier's prior expressed approval.

6.7 Supplier does not provide any warranties, express or implied, of fitness for a particular purpose or compatibility with other manufacturers' products/subsystems.

7. Purchaser's obligations

7.1. The Purchaser is obliged to respect and fulfil the payment terms.

7.2. The Purchaser is obliged to respect and apply all necessary and agreed by this Contract, precaution measures and safety requirements.

7.3. The Purchaser is obliged to check the Contract Products within two (2) days after the delivery. Any issues pertaining to quantity, specifications and quality should be brought to Supplier's attention within five working days after the delivery.

7.4. The Purchaser is obliged to receive the contract products on the agreed date. The Supplier shall offer free storage for no more than 15 days. **After the 15 days have passed, the Supplier has the right to ask the Purchaser for 100 USD/week as storage charge. Any part of the week is counted as full week. If the storage time exceeds 6 months, the Supplier has the right to dismantle the product and shall not return the advance payment of Clause 2.1.**

7.5 Due to the customization feature of the Product and the fluctuating situation of steel market price, in case where the Purchaser directly or indirectly requests or causes suspension of manufacture of the Product after confirmation of this Contract, the Supplier shall offer 3 month grace period. Upon expiration of such grace period, in the absence of Purchaser's further instruction of resuming manufacture, the Supplier has the discretion to 1) dismantle the product

and shall not return the advance payment of Clause 2.1; or 2) resume manufacture based on agreement on new price of the Product according to updated price catalogue of the current month and new delivery date.

8. Entire Contract and Amendments

8.1. The terms and conditions of this Contract, as defined, constitute the complete and exclusive statement of the Contract between the Parties relating to the subject Matter of this Contract, superseding all previous negotiations and understandings, and may not be contradicted by evidence of any prior agreement.

8.2. This Contract or any Sales Contract entered into in accordance hereto may only be modified or amended by an amendment in writing signed by the Parties. Attachments can be replaced with revised Attachments, which shall be dated and signed by the Parties.

8.3. Actions concerning any alteration of the order's technical specifications stated and confirmed in the order confirmation written documents imposed in writing by the Purchaser to the Supplier, shall be treated by the latter as a new order case, subsequently meaning revised price and technical specifications report and new delivery terms and conditions. The Purchaser shall bear the agreed price equivalent to the part performance already affected.

9. Partial Invalidity

In case this Contract or any part hereof is declared invalid or unenforceable by any legitimate authority, the remainder of the Contract shall continue on unchanged terms and conditions, and the Parties shall agree on replacement terms, which to the extent possible shall express the initial intention of the Parties.

10. Assignment

This Contract or any Sales Contract entered into in accordance hereto cannot be assigned by one of the Parties without the prior written approval of the other Party.

11. No Partnership

The provisions of this Contract shall neither constitute the Parties members of any Partnership or economic alliance nor confer on a Party any express or implied authority to act or incur obligation on behalf of the other Party.

12. Confidentiality and Limitation of Use of Information

The Supplier reserves intellectual property rights and copyrights concerning samples, cost estimates, drawings and any similar information of physical and non-physical nature- even in electronic format. Any information, being given orally or in writing or by any other media containing information, shall be considered confidential, and shall not, without the prior consent of the other Party, be given to a third party or be used for other purposes than set out herein. If not otherwise agreed, the Supplier equally reserves rights concerning trade marks and any other intellectual property rights of any kind apart from the aforementioned.

The Purchaser acknowledges that he will make use of the Products in the same conditions as they are received by him and not modify, deface or alter the Products in any way, or modify any labels, instructions, copyright material or identification insignia applied to or furnished in connection with the Products or affix to the Products any labels not previously approved by the Supplier.

The Purchaser agrees that it will not use any trademark, service mark, trade name or business name

of the Supplier, except with the latter's prior written approval. This includes any trademarks, service marks, trade names, designs, copywriter photos or logos on the Internet.

13. Jurisdiction and Applicable Law

The formation, validity, performance interpretation and enforcement of this Contract shall be governed only by the laws of China, and the Parties hereby irrevocably submit only to the exclusive jurisdiction of the court where the supplier is located.

14. Notices

14.1. All references to notices in this Contract shall mean written notice and save where expressed to the contrary where any party is required to communicate any matter or thing to the other such communications shall be in writing and for the purposes of this clause "notice" shall include such communications.

14.2 All notices shall be in writing and may be sent by courier, registered mail, personal delivery or facsimile transmission, to the address of each Party as stated in the Contract. Any party may change its address for service on giving the others seven day's prior notice.

Last Update: 27/05/2022