

## **1. Scope/Deviating Terms of Business**

1.1 These conditions apply to all deliveries and services ("deliveries") made by Refratechnik. These conditions form a part of all Contracts entered into by and between Refratechnik and the Customer. Upon signing of the first Contract governed by these Conditions the Customer shall accept the validity of these conditions for the entire duration of business relations. This also applies for all – even verbally agreed – future deliveries. Terms of Business of the Customer which deviate from or supplement these conditions have no validity, unless it is in writing, identified as an amendment to these conditions and signed by authorized signatory of Refratechnik and the Customer. This also applies, if Refratechnik with the knowledge of the deviating Terms of Business of the Customer performs the delivery without reservation.

1.2 These conditions apply only with respect to companies, legal entities and business organizations under the law of Hong Kong.

## **2. Delivery/Transport/Supervisor**

2.1 If Refratechnik is late in delivering, the Customer may withdraw from the Contract only if relevant Hong Kong laws and regulations provide explicitly such right under the circumstances. In this case, the Customer may only withdraw from the Contract in accordance with the provisions of the relevant Hong Kong laws and regulations.

2.2 Claims by the Customer for damage and reimbursement of expenses owing to the delay in the delivery or exclusion of the obligation of performance on the part of Refratechnik are excluded or limited in accordance with the stipulations of the provisions in Item 6. This applies irrespective of whether the Customer has withdrawn from the Contract and even if such claims arose prior to the withdrawal from the Contract.

2.3 Deliveries are to be performed according to the individual agreed clause of Incoterms (latest version).

2.4 In cases in which the Customer collects the goods himself, he undertakes to have available fixing means and other devices to ensure that the goods are loaded in a manner in which they can be transported safely.

2.5 In the event that Refratechnik uses their personnel to support the site management of the Customer in supervising the assembly or commissioning, Refratechnik is legally responsible only to select technically suitable personnel. Refratechnik shall neither take over any tasks and activities of the site management and technical site management or site supervising crew, nor any planning or coordination and shall not carry out any assembly works. Moreover installation of goods in a proper, professional manner and strict adherence to the drawing shall not be carried out by Refratechnik.

## **3. Payment/Payment Terms/Setting Off/Retention**

3.1 All prices are to be understood plus the VAT rate imposed by law and valid on the date on which the invoice is made out. The deduction of a discount requires a separate written agreement.

3.2 Where there is more than one debt the Customer owes to Refratechnik resulting from any purchase price, from the other commercial relationship or from earlier contracts between the parties, if payment made by the Customer does not suffice the total amount of all the debts, the Customer shall notify Refratechnik which debt the payment is for. If the Customer does not notify Refratechnik under such circumstance, the payment is for the debt due; among more than one debt, the one offering Refratechnik the least security; among more than one equally secure debts, the more onerous

one; among more than one equally onerous debts, the oldest one; and where all are equally old, each debt proportionally.

3.3 Where the Customer must pay interest and costs in addition to the principal debt, if the payment is not sufficient, the costs shall be paid first, then the interest and finally the principal debt. If the Customer determines another method, Refratechnik shall have right to refuse.

3.4 Payments are taken into account exclusively in accordance with aforementioned Item 3.2 and Item 3.4, even if the Customer has deviating repayment rules.

3.5 Setting-off by the Customer shall only be permissible with a counterclaim by the Customer which is legally substantial or is not disputed by Refratechnik.

3.6 The Customer is entitled to exercise a right of retention or right to refuse performance insofar as his counterclaim relates to the same contractual relationship and is legally substantial or not disputed.

## **4. Reservation of Ownership**

4.1 Refratechnik retains ownership of all goods until full payment of the purchase price including secondary claims and VAT is received. The reservation of ownership also extends to all debts due resulting from the other commercial relationship or from earlier contracts between the parties in particular from a recognised current account balance until such debts are paid in full.

4.2 In the event of a default of payment by the Customer, Refratechnik can without setting a further deadline withdraw from the Contract and demand the return of the goods. This also applies, if:

(1) the Customer violates any substantial contractual obligations, or  
(2) a substantial deterioration occurs in the Customer's financial position, in particular if seizure measures or other measures of execution are instigated against the Customer or an application is made to open insolvency proceedings regarding the assets of the Customer, or  
(3) the Customer attempts to conclude with one or several of his creditors an out-of-court agreement to settle debts, or  
(4) an application to open insolvency proceedings regarding the assets of the Customer is refused or the insolvency proceedings are rejected or terminated. The costs incurred, in particular for the return transport, shall be borne by the Customer. In the event that Refratechnik in accordance with this Item 4.2 demands the return of the goods, this is regarded in the case of doubt as a withdrawal from the Contract.

4.3 The Customer is not entitled to pledge or assign the goods as security. Seizures and other interventions on the part of third parties are to be reported to Refratechnik in writing without delay. Insofar as the third party is not in the position to reimburse Refratechnik with the legal and out-of-court costs of prosecuting an action, the Customer shall be liable for the incurred loss.

4.4 Provided the Customer is not in arrears with payment, he is entitled to re-sell the goods in the regular course of business. At this point in time the Customer shall assign to Refratechnik for the sake of protection all debts due (e.g. against insurance, from unauthorised activity) arising from the re-sale or from another legal basis with respect to the goods to the amount of the invoice value of the goods – in the case of an agreed current account to the amount of the balance due –, and in fact regardless as to whether the goods are re-sold without or after processing and whether the goods are re-sold to one or several consumers. Refratechnik shall accept the assignment.

The Customer undertakes to supply Refratechnik on request with the names of the third party debtors and the value of the debts. In accordance with the conditions stated in Item 4.2 Refratechnik is entitled to inform the third party debtor of the assignment and to enforce the assigned claim.

The Customer is only entitled to collect assigned debts as long as he fulfils his obligations to Refratechnik. Amounts collected in cash shall immediately become the property of Refratechnik and must be kept separately. Insofar as the payment of the debt to Refratechnik is due, the Customer shall transfer the amounts received without delay to Refratechnik. The Customer is not entitled to dispose of such debts due by assigning them to third parties.

4.5 The processing/transformation of the goods is performed by the Customer for Refratechnik without Refratechnik acquiring any obligations therefrom. If the goods are processed, compounded or mixed in an inseparable manner with other goods not belonging to Refratechnik, then Refratechnik acquires the co-ownership of the new goods at the ratio of the invoice value of the goods to the value of the other processed/compounded/mixed goods at the time of the processing, compounding or mixing. If the ownership of Refratechnik is terminated owing to the processing, compounding or mixing of the goods, then the Customer shall transfer to Refratechnik a portion of his ownership or co-ownership which corresponds to the invoice value of the goods. The Customer shall keep in safe custody for Refratechnik free of charge the ownership or co-ownership arising in this manner.

4.6 By way of protection the Customer shall also assign to Refratechnik those debts due which have arisen against a third party by the compounding of the goods with a piece of real estate; Refratechnik shall accept the assignment.

4.7 At the request of the Customer, Refratechnik shall be obliged to release as they choose parts of the securities held by Refratechnik, insofar as the realisable value of the securities held by Refratechnik not only temporarily exceed the debts due to be secured against the Customer by more than 10%.

4.8 If the goods are delivered at the request of the Customer to a country in which Reservation of Ownership is not recognised in accordance with the aforementioned stipulations or it does not have the same protective effect as in Hong Kong, the Customer is obliged to carry out all transactions and submit declarations which are necessary in order to provide a comparable protective right. The same applies, if the Customer transports the goods into such a country.

## **5. Quality/Obligation to inspect and requirement to give notice of defects/Warranty Claims**

5.1 The tolerances quoted by Refratechnik – for example in data sheets – and the storage periods stated in said data sheets are definitive and permissible for the quality of the goods.

5.2 Warranty claims by the Customer presuppose that the Customer has examined the goods immediately after their delivery, as far as this is practicable in the ordinary course of business, and upon the discovery of any defect immediately given notice thereof to Refratechnik.

5.3 Claims arising from any defects in the goods shall relate only to the individual defective parts of a delivery.

5.4 Insofar as in the case of risk transfer there is a defect of quality or defect in title, then Refratechnik is entitled – if they so wish but is not obliged – to re-perform in the form of eliminating the defect

(correcting) or to deliver goods free of defects (substitute delivery). If the purchase price has not yet been paid in full or in part, Refratechnik can make the re-performance dependent upon the Customer paying a part of the purchase price pro rata taking into account the defect being claimed.

5.5 The Customer is entitled – if he so wishes – to reduce the purchase price or to withdraw from the Contract, if Refratechnik refuses seriously and finally to re-perform owing to disproportionate costs or for other reasons, if the type of re-performance chosen by Refratechnik fails or is unacceptable to the Customer or the Customer has set an appropriate deadline for re-performance which Refratechnik has failed to meet.

5.6 Under the conditions stated in Item 5.5 and in accordance with the directives in the provisions in Item 6 the Customer can demand compensation payment instead of performance.

5.7 The claims by the Customer for a reduction in price, withdrawal from the Contract and payment of compensation in lieu of performance are excluded, if the defect is only minor, in particular if the suitability of the goods for the application which has been contractually agreed or is usual in the case of goods of this type has not been impaired or has only slightly been impaired.

5.8 If the delivery of defective assembly instructions represents a defect in quality, then Refratechnik shall be liable within the scope of Item 5.4 only for the correction of the assembly instructions.

5.9 Any warranty claims by the Customer against Refratechnik shall lapse one year after delivery of the goods. This also applies for warranty claims in the case of goods which have been used for a construction according to their conventional application and have caused their defectiveness. Such rights to claim warranty expire in particular then one year after delivery of the goods, if the goods are refractory materials which have been contacted by fire in accordance with their usual application.

5.10 The deadline for the expiry of the right to claim warranty is suspended so long as negotiations are taking place between Refratechnik and the Customer regarding warranty claims or the circumstances forming the basis of such claims. The suspension begins with the written notification by the Customer of defects and terminates with the written repudiation of the warranty claims by Refratechnik, at the latest however two months after the last declaration submitted in writing by a party within the scope of the negotiations.

5.11 The limitations and exclusions of liability of Item 6 apply to claims for reimbursement of damages.

5.12 Each further liability for defects in quality and in title is excluded unless Refratechnik has withheld any information malevolently or has accepted a guarantee for the quality of the goods.

## **6. Liability/Reimbursement of Damages and Expenses**

6.1 Any other claims by the Customer beyond the claims agreed under these Conditions, more particularly claims for damages – irrespective of the legal grounds – in particular owing to breach of secondary obligations, negligence when concluding the Contract, negligence in fulfilling other obligations and unauthorized activity are excluded subject to the following conditions. More particularly Refratechnik shall not be responsible for consequential damage, indirect damage

(e.g. loss of profits) or other damages to the Customer's assets.

6.2 Under the provisions of relevant Hong Kong laws and regulations Refratechnik shall be responsible for damage resulting from wilful and intentional negligence or gross negligence in fulfilling obligations by Refratechnik, their legal representatives or assistants and damage resulting from harm to life, body or health resulting from a wilful and intentional or negligent failure to fulfil obligations by Refratechnik, their legal representatives or assistants.

6.3 Refratechnik's product liability under the law of Hong Kong also remains unaffected.

6.4 For damage resulting from a slightly negligent breach of essential contractual obligations (i.e. obligations, the fulfilment of which is required before the contract can be performed in the proper manner and regarding which the customer must have regular confidence that such obligations are being adhered to) by Refratechnik, their legal representatives or assistants, Refratechnik shall be liable in accordance with the provisions of relevant Hong Kong laws and regulations, but with a limitation to the foreseeable, typically occurring damages.

This limitation also applies for claims by the Customer for damages in lieu of the performance or for reimbursement of expenses – including in the cases under Item 5.6 in conjunction with Item 5.5 – which result from a slightly negligent breach of an essential contractual obligation by Refratechnik, their legal representatives or assistants.

6.5 Refratechnik shall be liable in accordance with the provisions of relevant Hong Kong laws and regulations, if the Customer enforces claims for damages under the terms of a guarantee undertaken by Refratechnik for the quality of the goods. For consequential damages resulting from a deficiency, in particular for loss of profits, Refratechnik shall be liable in this case, but only insofar as the Customer has obtained a guarantee against damage of precisely the kind which has occurred.

6.6 In the event of delay any liability by Refratechnik for damage owing to delay regardless of the provisions of Items 6.2 to 6.5 is limited in the case of slight negligence to a maximum of 5% of the invoice value of the performance affected by the delay.

6.7 If liability is excluded or restricted in accordance with the foregoing provisions this also applies for all claims for reimbursement of expenses, claims regarding negligence on conclusion of the Contract, regarding negligence in fulfilling other obligations and for claims resulting from unauthorized activity including the producer's liability to make compensation for the damage arising from intentionally or negligently, unlawfully injuring the life, body, health, freedom, property or another right of another person, or breach of any law by fault.

6.8 The preceding exclusions and limitations of liability also apply to the personal liability of the agents, management staff, employees, colleagues, representatives and assistants of Refratechnik.

6.9 Any claims for damages and reimbursement of expenses by the Customer against Refratechnik lapse after two years; the period begins with the close of the year in which the claim has arisen and the Customer acquires knowledge about the circumstances on which the claim is based or would inevitably acquire such knowledge without gross negligence. Regardless of the

knowledge or grossly negligent lack of knowledge of the Customer, claims for damages and reimbursement of expenses lapse five years after delivery of the goods. The lapse of warranty claims (including claims for damages and reimbursement of expenses) in accordance with Item 5.9 and the legal lapse of the claims mentioned in Items 6.2 to 6.5 remain unaffected.

## **7. Industrial Property Rights**

7.1 If brick or constructional drawings are supplied by the Customer, the Customer shall be responsible to Refratechnik in respect of not infringing industrial property rights, in particular patents, utility models, registered designs or copyrights, or other rights of third parties (e.g. on the basis of the law against unfair competition) due to the use of the drawings. The Customer shall exempt and indemnify Refratechnik from claims by third parties relating to such infringements of rights.

7.2 All moulds, assembly instructions, drawings, plans and other documents belonging to Refratechnik remain the intellectual property of Refratechnik. Insofar as they are handed over to the Customer, the Customer is entitled to use them only within the scope of the purposes of the Contract. The Customer is not entitled to use, in particular copy, said documents, to transfer said documents to a third party or to use said documents in any other commercial manner.

## **8. Applicable Law/Place of Performance/Place of Jurisdiction**

8.1 The law of Hong Kong shall apply in its current version. Applicability of United Nations Conventions of 11 April 1980 on Contracts for International Sale of Goods (CISG »Vienna Convention/UN Sales Law«) is excluded. The English text shall be authoritative in the application and implementation of this Contract.

8.2 Hong Kong shall be the place of jurisdiction for all disputes arising from or associated with the Contract insofar as the Customer is a businessman, legal entity or business organization under Hong Kong law or has no general place of jurisdiction in Hong Kong. Refratechnik shall also be free to sue or to institute other legal proceedings at the Customer's place of business.

## **9. Written Form/Severability Clause/Customer Data**

9.1 There are no additional agreements. Particular agreements and additional agreements to the Contract must be in writing. The formal requirement can be waived only by express written agreement. Subsequent changes and additions to the Contract shall only be effective when they are confirmed in writing by Refratechnik by a sufficiently representative number of managers and/or authorised signatories.

9.2 If a provision of the Contract or of these conditions is or becomes ineffective this will not affect the validity of the Contract or the other conditions. The parties undertake to replace an ineffective provision by one which substantially achieves the intended purpose. This also applies to any gaps or inconsistencies. If no such interpretation or addition is possible, the matter will be settled by law.

9.3 In accordance with the Hong Kong Personal Data (Privacy) Ordinance, we would point out that Customer's data will be stored and used for commercial purposes directly related to the business relations between the parties. The Customer confirms that he has been notified of the purpose and consented to the storage and use of Customer's data.

Refratechnik Asia Ltd.  
Hong Kong, January 2021

# REFRATECHNIK