

Wohlrab Aufdampftechnik GmbH – General Terms and Conditions of Sale and Delivery

1. General

- 1.1. The following General Terms and Conditions of Sale and Delivery form the basis of all our offers, orders, deliveries and services. They are also valid for all future business relations even if they are not agreed explicitly. No later than upon acceptance of the goods or services are they considered accepted.
- 1.2. Other terms and conditions and regulations will only be recognised if they agree with our general terms and conditions or form the basis of particular contracts or services. Acknowledgements by the purchaser referring to his own terms and conditions are hereby rejected.

2. Offers, sampling, and conclusion of contracts

- 2.1. Our offers are subject to change without notice. When there is any doubt, the contract only comes into being after and according to the contents of our written order confirmation.
- 2.2. Offers based on customer specification drawings should not be taken as a guarantee that the parts function properly and may be used as expected as no such check is carried out.
- 2.4. Our offers assume that, if the customer supplies us with raw materials, these are in good condition and have not been damaged in transit. If we find that the materials that have been delivered are defective, we are entitled to reject the order. This remains the case even if, despite random checks, we do not detect hidden defects in the supplied materials until the order is being executed. We reserve the right to cease production at that point and not to process the defective materials or to reject the order until we receive written approval from the customer. In all cases, the customer is responsible for any costs we have incurred up to this point. Section 7 of these terms and conditions also applies.
- 2.5. Offers and attachments may not be made available in any form to third parties without our permission.

3. Prices

- 3.1. All prices are stated net without cash or other discount and exclude packing, transport and insurance plus the applicable rate of value added tax. The prices stated by us in the order confirmation shall apply.
- 3.2. Prices are only valid for processing compatibly constructed and manufactured parts, and assume that the parts to be processed are delivered free of freight and other charges. Additional processes, such as the removal of impurities, pre-treatment, or the production of audit reports, are charged as agreed with the customer beforehand or, in the absence of such an agreement, in accordance with Section 315 of the German Civil Code.
- 3.3. Should the main cost factors affecting the price (e.g., production materials, energy, commodity prices, wages and salaries) increase significantly in the time between the completion of the contract and the delivery, we may increase the contract price accordingly if the period between the conclusion of the contract and the likely or actual delivery date is more than four months. If the period is less, we are entitled to charge the customer half of the additional costs.

4. Duty to supply and co-operate, declaration of security, secrecy, and property rights

- 4.1. If the customer fails in his duty to provide material or to co-operate after a written reminder has been given, we may either withdraw from the contract or claim damages in lieu of payment after setting another 14-day deadline in writing.

- 4.2. If, at the request of the customer, we collect the product to be processed, the customer shall bear the risk of transportation. It is up to the customer whether he insures himself against such risks.
- 4.3. The customer should inform us immediately of any changes (e.g., in dimensions or materials) to parts delivered to us for processing.
- 4.4. In September 2011 we were recognised by Hauptzollamt Nürnberg as an “authorised economic operator” (AEO-C – customs simplification). AEO is a concept that aims at balancing increased security requirements with facilitations for compliant traders. It constitutes a main element of the Customs Security Program of the European Union. The aim is to secure the international supply chain from the producer to the end consumer. Our customer therefore agrees to produce, store, process, treat and load in secured premises and at secured depots parts he has delivered or handed over to us for processing and to protect such materials against non-authorized access during production, storage, processing, treatment and transport. Our customer gives an undertaking that the personnel entrusted with producing, storing, processing/treating, loading, transporting and taking delivery of the materials will be reliable. The customer is obliged not to pass to any unauthorised third parties any data acquired as a result of the business relationship and to store such data securely to prevent its being accessed and misused by unauthorised persons.
- 4.5. Unless otherwise expressly agreed in writing, information provided to us in connection with the order shall not be treated as confidential. The customer is not permitted without our prior written consent to disclose to third parties either the existence of his contractual relationship to us or any details about the relationship. This applies particularly to solicitations to third parties.
- 4.6. Our drawings, samples, models, mountings, and coverings remain our property and must not be made available to third parties.
- 4.7. Where we are required to use samples, drawings and models provided by the customer, the customer accepts responsibility for ensuring that no third-party property rights are infringed as a result. Where a third party forbids us from producing and delivering items on the grounds that we have infringed his property rights (e.g., patents or utility models), we are entitled to cease production and delivery and to claim any costs incurred. This is to the exclusion of any compensation for the customer, no matter what the legal situation may be. The customer shall reimburse us for all direct and indirect damages incurred by us from an infringement and assertion of possible property rights. He shall also release us at our request from any liability for possible court and legal fees.

5. Packaging, delivery, delivery lead times, dispatch, passing of risk, and acceptance

- 5.1. Unless otherwise agreed in writing between the parties, the processed parts shall normally be returned in the same packaging in which they were sent by the customer. If this packaging is unsuitable for returning the parts, we shall choose what we consider to be more suitable packaging and charge for this separately.
- 5.2. Delivery and service deadlines are normally only indicative and therefore non-binding. This does not apply if we have explicitly confirmed the deadlines in writing as binding delivery deadlines. Unless otherwise agreed, the delivery period begins with receipt of the order confirmation. However, if the material which is to be processed arrives later from the customer, the delivery period only begins then.
- 5.3. We are not liable for delivery or service delays due to unforeseeable circumstances affecting either ourselves, primary suppliers, or subcontractors (e.g., force majeure, strikes, raw material shortages, disruption to business, or power failures) even in the case of agreed and binding deadlines. You entitle us to either postpone the delivery or performance for the duration of the hindrance with an additional start-up period, or to repudiate the contract in part or in whole with regard to the non-performed part. If delivery is impossible as a result of the abovementioned circumstances, we are entitled to release ourselves from our obligation to deliver. Should it no longer be reasonable to deliver under these circumstances, we are permitted to

refuse delivery. The customer shall have no right to claim for damages provided we are not responsible for these circumstances.

- 5.4. We shall be entitled to partial deliveries and partial performance at all times unless such partial delivery or partial performance is unreasonable for the customer.
- 5.5. The risk is transferred to the customer as soon as the consignment has been handed over to the person responsible for its transport or has left our stores for the purpose of dispatch, irrespective of who bears the freight costs. If the shipment becomes impossible through no fault of our own, is delayed through no fault of our own, or collection is agreed, the risk is transferred to the customer when he is informed that the consignment is ready for dispatch. Insurance cover for transit damage is provided only at the request and expense of the customer.
- 5.6. Goods which are announced as ready for dispatch must be collected by the customer without delay but no later than within a reasonable time limit. Should the collection not take place, we are permitted to store the goods at the customer's expense and risk in a suitable way and bill for ex-works delivery.
- 5.7. Should processed goods be returned to us for reasons for which we are not responsible, then the customer is liable for the goods up to the delivery to us.

6. Payment

- 6.1. Provided nothing else to the contrary has been specifically agreed, payments must be made within 14 days after receipt of invoice without any deductions. In the event of default, we charge default interest at a rate of 8 percentage points above the base rate, irrespective of further rights.
- 6.2. In spite of any other provisions stipulated by the customer, we shall be entitled to credit payments to older debts first. If costs and interest have already been incurred, we are entitled to first credit the payment to the costs, then to the interest, and finally to the principal.
- 6.3. Payment is only considered to have been made when the money is available to us. Payments by draft or cheque are only considered received upon final encashment.
- 6.4. The customer is not entitled to exercise the right to withhold payments or to offset against our payment claims unless his counterclaims are undisputed or legally upheld.
- 6.5. If the customer is in arrears or we have reason to question his creditworthiness, we may suspend the target payment date and request payment in cash for any outstanding deliveries. In addition, we may cancel all existing contracts wholly or partly. The payment deadline for all undelivered goods shall be extended until payment is made in full. Furthermore, we are entitled to demand what we consider to be sufficient collateral to cover our claims. If the customer fails to meet his obligations, we can make all our claims against the customer due and payable.

7. Duty to give notice of non-conformity, warranty claims, and limitation of liability

- 7.1. We guarantee processing in compliance with good professional practice. Warranty claims shall not exist in the event of minor deviations from the agreed quality or in the case of minor impairments of usability. The warranty is valid for demands under customary operating and climatic conditions. If the product is intended for special conditions and we were not informed in advance, so this is not covered under the contract, warranty for these special conditions is excluded.
- 7.2. If the material delivered for processing is defective or substandard (e.g., porous, cracked or damaged, or not free of dirt, casting seams, release agents, and grease), we are entitled to refuse to process it or to repudiate the contract. If the customer insists on processing or we are of the opinion that the delivered material is technologically unsuitable for such a surface treat-

ment, we cannot accept any liability. The customer should inform us immediately of any changes (e.g., in dimensions or materials) to parts delivered to us for processing. Processing defects resulting from a failure to notify us, or to notify us in good time, of any changes to materials delivered to us for processing shall not be covered by warranty.

- 7.3. We shall not be liable for any waste or the like resulting from processing provided the amount of waste is within the agreed limits. The customer's obligation to pay shall remain in force. If the amount of waste is greater than the agreed limit, we shall supply an equivalent amount of processed material to that by which the waste exceeds that limit. The customer agrees to give us an opportunity to do this, even if the delivery date was binding. This includes supplying us with the required raw material without delay, if necessary. If he fails to do this by a reasonable deadline, the warranty becomes null and void. We may, at our discretion, reimburse the customer the cost of the excessive waste instead of supplying him with the equivalent amount of processed material. However, our liability shall be limited to the contract price.
- 7.4. The choice of option shall be ours. If we opt to supply the equivalent amount of processed material, the defective items shall become our property. If we fail to either remedy the defect or supply an equivalent amount of processed material by a reasonable deadline, the customer shall have the right to choose whether to pay a reduced amount or to repudiate the contract. A remedy shall be considered to have failed after a failed second attempt except when the type of goods or of the defect or other circumstances suggest otherwise. Any claims for defects shall cease to exist if a remedy has been attempted by a third party and we have not been given an adequate opportunity to remedy the defects ourselves.
- 7.5. All warranty claims shall become statute-barred at the latest after 12 months following delivery or acceptance. The goods as delivered by us must be carefully inspected for any defects as soon as they are received. Notification of any defects must be given in writing and without undue delay, but no later than 12 days after receipt of the goods. The obligation to inspect is also valid when samples have been sent. Subsequent assertions of defects cannot be considered. With defects that cannot be discovered at once the same applies by the previously named deadline after discovery of the defects. As in other cases, any failure to notify us of any defects without undue delay shall mean that any such assertions cannot be considered. Our employees are not authorised to deal with complaints orally or by telephone.
- 7.6. Warranty claims against us may only be asserted by the customer himself. The transfer to third parties of claims for defects is excluded.
- 7.7. We shall be liable for damage – other than damage resulting from injury to life, limb or health – within the limits of claims for contractual defects only in the case of intent and gross negligence, including the intent and gross negligence of our representatives and vicarious agents, unless stipulated otherwise below. Liability is also excluded for simple and slight negligence, as far as it is not a violation of an important contractual obligation in the sense of the jurisdiction of the Federal Court of Justice. As far as the exemption of liability for a violation of an important contractual obligation, as mentioned above, does not apply, we are liable only for normal contractual and foreseeable damage. Any further claims by the customer shall be excluded. The above limits and exclusions of liability shall not apply in cases where there has been a violation of a precontractual duty of notification and information. Liability under the Product Liability Act shall remain unaffected. No contractual penalties shall apply.
- 7.8. Similarly, we shall be liable for damage outside the scope of liability for defects – other than in cases of damage resulting from injury to life, limb or health – only in accordance with Section 7.6. These limits of liability shall also not apply in cases where there has been a violation of a precontractual duty of notification and information. No contractual penalties shall apply.

8. Contractor's lien, reservation of title, tools, and moulds

- 8.1. We have a contractor's lien in the objects made available to us for processing. In addition, the customer shall grant us a contract lien for the goods supplied for the purpose of surface processing to cover our claims arising from the contract. The contract lien is also valid, as long as

nothing else has been agreed upon, for claims arising from earlier contracts and services to the extent they bear a material, unitary relation to the subject matter of the current contract. If these objects are delivered to the customer before full payment, then it is hereby agreed with the customer in advance that he shall assign to us the ownership in these parts to the value of our claim as security for our claims and that the handing over of possession is replaced by the fact that the customer shall keep the parts on our behalf. This applies mutatis mutandis to the customer's expectant rights to any objects handed over to us for processing and which were supplied to the customer by a third party subject to reservation of title. We have the right to cause the reservation of title to lapse. Any reassignment claims the customer may be entitled to against a third party to which he had previously assigned as security the objects handed over to us for processing are herewith assigned to us. We hereby accept such assignment.

- 8.2. The customer may not pawn or transfer the rights of ownership of goods for which we have a lien or which are pledged property. He may, however, sell or work on the goods in the normal course of business unless he has already effectively assigned his claims against his contract partner to a third party. A possible processing of the goods which are assigned to us as security by the customer to produce a new movable item is done in our name and for our benefit but with no obligations arising. We permit the customer, herewith, to become part-owner of the new item to the extent of the value of the new item less the value of our contribution. The customer shall undertake to keep the item in safe custody for us with the diligence of a prudent businessman and free of charge.
- 8.3. In the event that the customer acquires exclusive or co-ownership of a unitary new object created by combining, blending or mixing the security collateral with other movable objects, the customer hereby agrees to assign to us as security for our claims under this contract a share in this ownership equivalent to the value of our security collateral in proportion to the value of the new object with the undertaking to care for the object with all due care and attention at no charge to us.
- 8.4. The customer is authorised to collect from a third party, on our behalf, any claims arising from re-sale or further processing. At our request, the customer should verify the individual claims and disclose the subrogation to third parties with the request to make payment directly to us, to the value of our claims. Furthermore, we are permitted at all times to disclose the subrogation to the third party and demand payment ourselves. However, we will not request the customer to collect our claims or disclose the subrogation, nor will we collect our claims or disclose the subrogation ourselves as long as the customer pays his dues to us correctly.
- 8.5. The customer hereby assigns us the claims (including all of the account balance claims from the current account) arising from a resale or other legal reason (insurance, unlawful act) with regard to the goods subject to retention of title as a precaution in an amount equal to the invoiced price (initial purchase) plus a security margin of 20%. We hereby accept such assignment. We grant the customer revocable authorisation to collect claims assigned to us in his own name on our behalf.
- 8.6. If third parties are given access to the goods subject to retention of title, the customer shall point out our ownership, inform us immediately, and, where appropriate, provide us with the information required to assert our rights.
- 8.7. If the customer is late in making or fails to make a payment, or applies for composition or insolvency, we shall be entitled to take back the goods delivered under retention of title or to demand assignment of the customer's right to recovery against third parties. Furthermore, we shall be entitled in such cases to revoke the customer's authorisation to collect claims on our behalf and to inform his customers of our entitlement and intention to collect such claims directly. The customer hereby agrees in such cases to give us a complete list of his customers with their addresses and the amount of the claims against them, and to assist us in every way. The repossession or assignment by us of the goods delivered under retention of title shall not be deemed a withdrawal from the contract.
- 8.8. We retain title to all compression and injection moulds as well as any other tools supplied until all our claims arising from the business relationship are settled even if the customer has borne some or all of the production costs. As long as we retain title in this regard, we shall be entitled

to possess the tools. We shall take good care of them. However, we shall only be liable for maintenance costs directly associated with production. The customer shall bear any costs resulting from wear and tear as well as those of insuring the goods.

- 8.9. As agreed, the customer shall bear the costs of any mountings and coverings we make in order to fulfil the order. Nonetheless, such mountings and coverings are not made for the benefit of the customer, who shall not be entitled to demand transfer of their title. Payment shall therefore be only for production and the expertise it requires, not for any mountings or coverings. Any mountings and coverings remain our property throughout. Our obligation to take care of them expires two years after the last order from that customer.

9. Place of performance, jurisdiction, governing law, and severability clause

- 9.1. For all present and future claims arising from business relations with us, including claims based on bills of exchange and cheques, the sole place of jurisdiction for both parties is our registered office.
- 9.2. The laws of the Federal Republic of Germany are valid to the exclusion of foreign law and the Uniform Law on the International Sale of Goods. The German version of a contract shall prevail.
- 9.3. Should one provision in these terms be ineffective or unenforceable for whatever reason, this shall not affect the validity of the remaining provisions or the underlying contract. The parties are then obligated to replace the ineffective provision with a provision that most closely reflects the original intent.