

General Terms and Conditions of Sale and Delivery

I. General Provisions

- (1) Our General Terms and Conditions of Sale and Delivery shall apply to all deliveries of movable property in accordance with the contract concluded between ourselves and the customer (hereinafter referred to as "Buyer").
- (2) Our General Terms and Conditions of Sale and Delivery shall apply exclusively; we do not recognize the Buyer's Terms and Conditions of Sale and Delivery that are contrary to or at variance with our General Terms and Conditions of Sale and Delivery unless we have expressly agreed to their validity in writing. Our General Terms and Conditions of Sale and Delivery shall also apply even if we perform the delivery without any reservations in the knowledge that the Buyer's Terms and Conditions of Sale and Delivery may conflict with or deviate from our General Terms and Conditions of Sale and Delivery. The scope of delivery shall be determined by the concurring written declarations of both parties.
- (3) We retain full and unrestricted property rights and copyrights pertaining to all costs estimates, drawings, calculations and other documents (hereinafter referred to as "Documents"). The Documents shall not be made accessible to third parties without our prior written consent and shall, upon request, be returned to us forthwith if the contract is not awarded to us. The sentences 1 and 2 shall apply mutatis mutandis to the Buyer's Documents; these may, however, be made accessible to those third parties to whom we have legitimately subcontracted the deliveries.
- (4) Any exceptional individual agreements concluded with the Buyer (including supplementary agreements, additions and amendments) shall in all cases take precedence over these delivery terms. The content of such agreements shall be set forth in a written agreement or requires our written confirmation.

II. Prices; Terms of Payment

- (1) The prices and Terms of Payment stated in our order confirmation shall be applicable. The deduction of any early payment discount shall only be permitted in the case of a separate written agreement.
- (2) Unless otherwise specifically agreed, the prices shall be ex works Herford (INCOTERMS® 2010) excluding packaging and the statutory value added tax at the rate applicable at that time. This tax shall be shown separately on the invoice at the statutory rate applicable on the date of invoice.
- (3) Should the Buyer default on payment, default interest shall be charged on the sales price at the respective statutory default interest rate. We reserve the right to claim higher damages for arrears. The Buyer shall be free to provide evidence that we have not incurred any loss or that the loss is considerably smaller.
- (4) In the event of persistent failure to comply with terms of payment or if circumstances become known after the conclusion of the contract, which raise serious doubts as to the credit worthiness or performance capability of the Buyer, this will result in the immediate maturity of all the Buyer's outstanding debts regardless of any agreed terms of payment. In this event, we shall also be entitled to claim payment in advance or demand other securities for all outstanding deliveries and to rescind all the contracts concluded with the Buyer in full or in part upon expiry of a reasonable extension period, and claim for compensation. As regards contracts for the manufacture of non-fungible items (individual custom-made products) we may declare cancelation immediately; This shall be without prejudice to the legal provisions stipulating that no deadline needs to be set.
- (5) The Buyer shall only be entitled to offset rights if its counterclaims have been declared legally binding, undisputed and are recognized by our company. The Buyer shall only be entitled to make use of a right of retention if its counterclaim is based on the same contractual relationship, is undisputed and legally binding.

III. Retention of Title

- (1) We reserve the title to the goods (all goods shall remain our property) until all claims against the Buyer have been settled in full, even if the payment for the goods in question has already been made (Retained Goods).
- (2) The Buyer shall notify us forthwith of any attachments, confiscations or other seizures or acts of intervention by third parties and provide us all the documents necessary for the intervention.
- (3) Any processing or reworking of the Retained Goods performed by the Buyer shall be carried out exclusively in our name and on our behalf. In the event of further processing with other goods not owned by us, we shall be entitled to co-ownership of the new product in the ratio of the value of the processed retained product to the value of the other processed goods at the time of processing or transformation. In the event of the resale of the new product, the Buyer shall assign to us its claims against its customer, arising from the resale, including all ancillary rights by way of security. The assignment shall however be limited to the amount of the value of the processed retained goods invoiced by us.
- (4) The Buyer is entitled to resell the retained goods in the ordinary course of business. The Buyer shall hereby assign all claims against third parties arising therefrom to us in advance to the amount of the respective invoice value. This assignment shall apply regardless of whether the retained goods have been resold without or after further processing. In the event that the Buyer resells the retained goods together with other goods that are not our property, the Buyer shall assign only that portion of the total claim which is equivalent to the amount we invoiced for the retained goods. The Buyer shall, subject to revocation, be entitled to collect claims. Our authorisation to collect claims shall remain unaffected hereby.
- (5) If the Buyer breaches any of its obligations, including but not limited to default of payment, suspension of payment, justified indications of over-indebtedness or imminent insolvency of the Buyer, initiation of insolvency proceedings or other deficiency of its productive capacity, we shall be entitled to take back the retained goods delivered and rescind the contract following the unsuccessful expiry of a reasonable period of grace for performance. This shall be without prejudice to the legal provisions stipulating that no deadline needs to be set. The Buyer shall be obliged to surrender the goods. Taking back, asserting the reservation of title or attachment of the retained goods by us shall not constitute a rescission of the contract, unless we so expressly declare.
- (6) If the realizable value of the securities in our favour exceeds our total claims by more than 10 % we shall, upon request of the Buyer, release such securities as we may choose.

IV. Delivery; Transfer of Risk

- (1) Place of fulfilment and payment shall be our registered office. If the Buyer requests the goods to be delivered to another location, the shipment or transport of goods will be performed at its risk and, unless otherwise agreed, at its expense.
- (2) The risk of accidental loss or accidental deterioration of the goods shall pass to the Buyer upon delivery of the goods at the latest. In the event of the sale by dispatch the risk of accidental loss or accidental deterioration of the goods as well as the risk of delay shall pass to the Buyer immediately upon the delivery of goods to the freight forwarder, carrier or any other person specified to carry out the shipment. We shall insure the deliveries against the usual transport risks at the Buyer's request and expense. If an acceptance procedure has been agreed upon, this shall be definitive for the transfer of risk.
- (3) In the event that the Buyer defaults in acceptance of delivery, fails to cooperate or if our delivery is delayed for any other reasons attributable to the Buyer, we shall be entitled to demand 0.5 % of the net order value for every week of delay as a contractual penalty, but in no case more than a total of 5% of the net order value. We reserve the right to enforce any further legal claims; this will entail that any forfeited contractual penalty will be added to the claim for damages. The Buyer shall reserve the right to prove that we have not incurred any loss or that the loss is considerably smaller.

- (4) Partial deliveries shall be permitted if and when they are reasonable for the Buyer.

V. Delivery Period; Delay in Delivery

- (1) The delivery period shall be agreed individually, our written order confirmation shall be binding.
- (2) Delivery deadlines shall only be binding if all documents to be furnished by the Buyer, necessary permits and approvals, especially concerning plans and other obligations of the Buyer, are received in due time.
If the above conditions are not fulfilled in due time, the delivery periods shall be extended by an adequate period of time. This shall not apply if we are responsible for the delay.
- (3) Whether delivery is in default shall be determined by the statutory provisions. If we are responsible for the delay, the Buyer may claim compensation of 0.5 % of the net order value for every completed week of delay as a contractual penalty, but in no case more than a total of 5% of the net order value. We shall reserve the right to demonstrate that the Buyer has not incurred any loss or that the loss is considerably smaller.
- (4) If delays in delivery are attributable to Force Majeure or other unforeseeable, exceptional circumstances, that cannot be influenced by us or our pre-supplier, for example difficulties in the procurement of materials, operational disruption, lockout, strike, shortage of transport facilities, governmental intervention or difficulties in energy supply, we are entitled to postpone the delivery for the duration of the impediment plus a the reasonable start-up period. The same shall apply in the event that our pre-suppliers fail to carry out delivery in due time or in the proper manner. In the event that we cannot adhere to the stipulated delivery deadlines for the reasons mentioned above, we will notify the Buyer forthwith. If the delay in delivery lasts longer than 3 months, the Buyer shall be entitled to withdraw from the contract. If the delivery or performance becomes impossible or unreasonable due to the aforementioned circumstances, we shall be released from our delivery commitment. Any claims by the Buyer shall be excluded.
- (5) Claims for compensation by the buyer due to delays in delivery as well as claims for compensation in lieu of performance which exceed the limits specified in (3) shall be excluded in all cases of delayed deliveries, even after expiry of the delivery deadline allowed to us. This shall not apply in cases of absolute liability based on intent, gross negligence or loss of life, bodily injury and damage to health. The Buyer may rescind the contract within the scope of the statutory provisions as far as we are responsible for the delay in delivery.
- (6) The above provisions shall not constitute any change in the burden of proof to the detriment of the Buyer.

VI. Acceptance

The Buyer may not refuse the acceptance of deliveries due to minor defects.

VII. Defects as to Quality

We shall be liable for defects in the goods delivered as follows, provided the Buyer has fulfilled its obligation to examine the goods and give notice of defects pursuant to §377 of the German Commercial Code (HGB) properly. The notice of defects must be given in writing forthwith upon discovery.

- (1) The basis for any claim for defects is first and foremost the agreement concluded on the condition of the goods. Our product descriptions, which are the subject matter of the individual contract, shall be deemed to serve as an agreement on the quality of the products.
- (2) In the event that defects of material or title exist upon the passing of risk, we shall be entitled, at our own discretion, to provide supplementary performance either by rectification of the defect (subsequent improvement) or by the delivery of faultless goods (substitute delivery). In the event that we are in default of rectification of defects for a period exceeding 6 weeks, fail to remedy the defect after the second unsuccessful attempt or rectification is rendered impossible, the Buyer is entitled to reduce the purchase price or rescind the contract. The same should apply if we refuse to provide supplementary

performance due to disproportional (unreasonable) costs. The Buyer is only entitled to claim damages for defects of the supplied goods in accordance with Clause X of these terms.

- (3) We shall bear the expenses incurred in the course of the supplementary performance, in particular transport, mileage, work and material costs. We shall not bear additional costs incurred by the transport of the goods to a location other than the agreed place of performance, unless such transport complies with the normal use.
- (4) The statutory limitation period shall be 12 months, beginning from the passing of risk. This period of limitation shall not apply where longer periods are prescribed by law pursuant to §§438 Section 1 No. 2 (buildings and objects for building), 479 Section 1 BGB (right of recourse) and 634 a Section 1 No. 2 BGB (construction defects) in case of intention, fraudulent concealment of the defect as well as failure to comply with a guarantee of specified quality. The statutory provisions on suspension of the statute of limitations, suspension and recommencement of limitation periods shall remain unaffected. Claims for price reduction and rights to rescind the contract shall be excluded if the claim for subsequent performance came under the statute of limitation (became time-barred).
- (5) Claims for defects shall be excluded in the case of inappropriate or improper use, incorrect installation by the Buyer or third parties, natural wear and tear, faulty or negligent handling, excessive use, unsuitable equipment, chemical, electrochemical or electric influences (to the extent we are not responsible for), improper modifications or repair work carried out by the Buyer or third parties without our prior approval.
- (6) The Buyer's statutory right of recourse is only valid to the extent that the Buyer has not concluded an agreement with its customer which goes beyond statutory claims for defects. The scope of the Buyer's right of recourse against us pursuant to § 478 section II BGB shall be further determined mutatis mutandis by (3).
- (7) The contents of the agreed specifications or any other explicitly agreed purpose of use shall not constitute a warranty. The assumption of a warranty shall require a separate written agreement.
- (8) Claims regarding defects over and above those stipulated in Clause VII shall be excluded.
- (9) The above regulations shall not constitute any change in the burden of proof to the detriment of the Buyer.

VIII. Industrial Property Rights; Defects of Title

- (1) Unless otherwise agreed, we shall be obliged to fulfil delivery free of third party industrial property rights and copyrights (hereinafter referred to as "IPR") in the country of delivery only. If a third party asserts a justified claim against the Buyer based on an infringement of an IPR by deliveries effected by us and used as stipulated in the contract, we shall be liable to the Buyer within the period of time set forth in Clause VII (4) as follows:
 - a) We shall either acquire, at our own expense and discretion, a right of use for the deliveries concerned or modify the deliveries such that they no longer infringe the IPR or exchange them. If this would be impossible for us under reasonable conditions, the Buyer may rescind the contract or reduce the purchase price pursuant to the applicable statutory provisions.
 - b) The above obligations stipulated by us shall apply only if the Buyer (i) immediately notifies us of any such claim asserted by the third party in written form, (ii) does not concede the existence of an infringement and (iii) leaves any protective measures and settlement negotiations to our discretion. If the Buyer stops using the deliveries in order to minimise damages or for other important reasons, it shall be obliged to advise the third party that suspension of use does not constitute an acknowledgement of the alleged infringement of the industrial property rights.
- (2) The Buyer shall not be entitled to any claims against us if it is responsible for the infringement of an IPR.

- (3) Claims by the Buyer are also excluded if infringement of the IPR has been caused by specifications made by the Buyer, by a type of use not foreseeable by us or by the fact the delivered goods have been modified by the Buyer or were used together with products not provided by us.
- (4) In the event of other defects of title, the provisions of Clause VII shall apply *mutatis mutandis*. With regard to possible damage claims, the provisions stipulated in Clause X shall prevail.
- (5) Any further or other claims by the Buyer against us or our agents or any such claims exceeding the claims set forth in the Clause VIII based on a defect in title are excluded.

IX. Exclusion of the Performance Obligation

- (1) To the extent that delivery is impossible, the Buyer is entitled to claim damages, unless we are not responsible for the impossibility. The Buyer's claim for damages is however limited to an amount of 10% of the value of that part of the delivery which, owing to the impossibility, cannot be put to the intended use. This limitation shall not apply in cases of mandatory liability for intent, gross negligence or loss of life, bodily injury or damage to health; this does not constitute any change in the burden of proof to the detriment of the Buyer. The Buyer's right to rescind the contract shall be unaffected.
- (2) Where unforeseeable events within the meaning of Clause V (4) substantially change the economic importance or the content of the delivery or considerably affect our business, the contract shall be adapted taking into account the principles of reasonableness and good faith. To the extent this is not justifiable for economic reasons we shall have the right to rescind the contract. If we intend to exercise our right to rescind the contract, we shall notify the Buyer thereof without undue delay after having recognised the repercussions of the event; this shall also apply even if an extension of the delivery period has previously been agreed with the Buyer.

X. Claims for Damages; Liability

- (1) Any claims for damages the Buyer may have, irrespective of their legal grounds, in particular breach of contractual obligations or tort shall be excluded.
- (2) The above shall not apply to product liability claims, in cases of intent, gross negligence, loss of life, bodily injury or damage to health, or breach of essential contractual obligations, i.e. culpable breach of those duties whose fulfilment enables the performance of the contract in the first place and where compliance therewith is regularly relied on by the contract partner. Claims for damages arising from a breach of essential contractual duties shall be limited to foreseeable, typically occurring damages, provided there is no intent or gross negligence or that it does not involve liability for loss of life, bodily injury or damage to health. We shall not, in particular, be liable in this case for other damages, e.g. loss of profit, loss of production, other indirect damages or damage caused to the processed items and unforeseeable indirect damages.
- (3) The above provisions shall also include claims for compensation for wasted expenditure.
- (4) The above provision does not constitute a change in the burden of proof to the detriment of the Buyer.

XI. Place of Jurisdiction and Applicable Law

- (1) Exclusive place of jurisdiction for any legal disputes and supply agreements arising out of or in connection with this contractual relationship shall be Herford. We shall, however, be entitled to institute proceedings against the Buyer at its general place of jurisdiction.
- (2) The laws of the United Nations Conventions on Contracts for the international Sale of Goods (CISG). Shall exclusively apply with exception of the agreements stated above.

XII. Severability Clause

The legal invalidity of single provisions of this Contract shall in no way affect the validity of the remaining provisions. This shall not apply if it would be unreasonable for one of the parties to be obligated to continue the contract.