

General Terms and Conditions of Sale and Delivery

The following terms and conditions apply to all of our transactions unless other agreements have been concluded in writing.

We hereby expressly object to any terms and conditions of purchase of the customer that deviate from these „General Terms and Conditions of Sale and Delivery“. This objection shall also be applicable in the event the customer has specified a special formal requirement for objections. In the event the customer's terms and conditions of purchase rule out any objection, the statutory provision shall be applicable in lieu of the standard terms and conditions of purchase and sale, taking into account the technical terms and conditions of delivery set out in DIN 6930. Acceptance of a customer's deviating terms and conditions of purchase can be assumed only if we have confirmed their applicability in writing.

Our terms and conditions shall be applicable even in the event that we are aware of a customer's deviating terms and conditions. They shall also be applicable to all future transactions with the customer, even if no explicit reference is made to them.

Our terms and conditions apply only to entrepreneurs pursuant to §310(1) of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*).

1. Place of Performance, Jurisdiction, Applicable Law

1.1 Place of performance for delivery and payment and – if the customer is a businessman – exclusive place of jurisdiction shall be the location of our branch office. We shall also be entitled to assert claims against the customer at the customer's general place of jurisdiction.

1.2 The contract shall be subject to the laws of the Federal Republic of Germany to the exclusion of the Convention of the International Sale of Goods (CISG).

2. Offer – Offer Documents

Our offers are non-binding unless otherwise stated in the order confirmation.

We reserve title and copyrights to illustrations, drawings, catalogues and other documents; they may not be made available to third parties or competitors. The same shall apply to written documents designated as „confidential“. The customer may not pass such documents on to third parties without our express written consent.

3. Transaction and Confirmation

To be legally valid, acceptance of contracts must be confirmed in writing by us. This shall also apply to any and all side agreements concluded directly or through an agent. Acceptance of an offer in connection with our written order confirmation and the terms and conditions included in it shall constitute a contractual relationship. The customer shall be deemed to have accepted these terms and conditions by placing an order.

4. Prices

4.1 Prices shall be ex works plus statutory value added tax at the applicable rate and costs for packaging. The statutory VAT shall be shown separately on the invoice at the rate applicable on the date of invoice.

4.2 Any later reduction of order quantity or later reduction of the number of items to be delivered in the event of an agreed partial delivery is only possible with our express consent and shall necessitate an increase of the price per item and, if applicable, the agreed tooling cost component.

4.3 Our prices are based on current customary and applicable calculation factors. In the event of changes in the wage and salary scale of the metalworking industry or the costs for the primary material necessary for the production of the ordered pressed parts, deep-drawn parts and stampings or the energy costs, we shall be entitled to increase or decrease the prices as we reasonably see fit in proportion to the changes in costs.

5. Tooling

Tooling cost components shall generally be invoiced separately from the value of the goods. They shall be due upon shipping of the reference sample or, if no reference sample was requested, upon first delivery of the products. The customer shall not acquire any right to own the tools by paying the tooling cost components; the tools shall remain our property and in our possession. We undertake to store the tools for the customer for three years after the last delivery. If the customer notifies us prior to the end of this period that orders are to be placed within one year of the notification, we shall be obligated to store the tools for this period. Otherwise, we may freely dispose of the tools.

6. Payment, Set-off, Retention

6.1 Our invoices shall be due and payable within 30 days of the invoice date without deduction unless otherwise agreed. Interest at a rate of 9 percentage points above the relevant basis rate will be charged on any amounts that are not paid when due. We explicitly reserve the right to accept bills of exchange or cheques; as a rule, they shall be accepted only as payment and shall not be deemed to have debt-discharging effect until they are redeemed. Discount charges shall be borne by the customer.

6.2 The customer shall only be entitled to set off payment if his counterclaims have been legally established, are undisputed or acknowledged by us or are in a reciprocal relationship with our claims. The customer only has a right of retention if his counterclaims have been legally established, are undisputed or have been acknowledged by us.

7. Delivery Date, Default, Refusal of Performance

7.1 Delivery dates are specified to the best of our knowledge, but without guarantee. Stipulated delivery deadlines begin on the date orders are confirmed, but not before all details relating to performance have been clarified. Delivery deadlines shall be deemed met when the pressed parts, deep-drawn parts and stampings leave the works on the stipulated date or, in the event of a delay in acceptance of the goods by the customer, when they are made available at the factory.

7.2 If the customer delays acceptance of an order or culpably breaches other obligations to cooperate with us, we shall be entitled to demand compensation for any damage that we may incur in this context, including any additional expenses. We reserve the right to assert further claims over and above this. The risk of accidental loss or accidental deterioration of the merchandise shall pass to the customer as soon as the customer falls into default regarding acceptance or payment.

7.3 We shall not be deemed to have fallen into default if delivery is not made as a result of a situation for which we are not responsible. We shall not be deemed responsible for events of force majeure, strikes or lock-outs or any other reasons causing a partial or full cessation of work. This shall also apply in the event of shipping problems, energy supply problems, disruptions of operation at our own business establishment or at the establishments of suppliers. In particular, our timely supply shall be subject to our having being supplied in a correct and timely manner. In any of these cases, we shall be entitled to postpone the delivery for the duration of the hindrance. We shall notify the customer without delay of any event of force majeure or any equivalent hindrance. The customer shall not be entitled to rescind the contract until at least six weeks have passed since receipt of the notification.

7.4 In the event of a delay in delivery, the customer must set a reasonable extended deadline including a threat of refusal, in this respect deviating from §§281, 323 of the German Civil Code, prior to rescinding the contract or asserting a claim for compensation. The extended deadline must be for at least fifteen working days. There shall be no entitlement to performance when such extended deadline has expired. We shall be liable under the provisions of statutory law to the extent the customer can show that the customer no longer has any interest in the further fulfilment of the contract as a result of a delay in delivery for which we are responsible. Any compensation claims shall be subject to the provisions of (14).

7.5 We shall be liable under the provisions of statutory law to the extent the contract is a fixed transaction in terms of §286 (2) No. 4 of the German Civil Code or of §376 of the German Commercial Code (*Handelsgesetzbuch, HGB*). Any compensation claims shall be subject to the provisions of (14).

8. Surplus Deliveries and Partial Deliveries

DIN 6930, Section 1, No. 4.6 shall be applicable. Partial deliveries shall be deemed separate transactions; they shall be invoiced separately and paid for separately. In the event of contracts with continuous deliveries, we must be informed of the allocation of types and grades in due time. If products are not called up and allocated in due time, we shall be entitled, after fruitless expiration of an extended deadline, to carry out the allocation ourselves and to deliver or to rescind the not yet fulfilled part of the contract and demand compensation for our resultant losses.

9. Testing and acceptance

The customary testing of the delivered parts shall include checking sizes and checking for surface flaws and surface cracking to the extent these can be found by way of visual inspection. Costs for customary testing are included in the price per unit. The type and scope of additional testing and the testing procedure to be used, such as 100 per cent sorting, eddy-current testing and alternating flux leakage testing and the like, must be agreed upon separately and precisely specified in the designs for the pressed parts, deep-drawn parts and stampings or in the orders and order confirmations.

10. Packaging

The goods shall be packed as customary in the sector; the packaging shall be charged at cost and shall not be returnable.

11. Shipping

Unless particularly specified, we shall decide on the type of shipping at our due discretion without assuming responsibility for the least expensive type of shipping. All costs and risks associated with shipping shall be borne by the customer when the goods have left the factory.

12. Transfer of Risk

If the goods are shipped – regardless of which party bears the costs – the risk shall pass to the customer upon delivery to the shipping agent, but in no event later than the time the goods leave our factory. If the goods are ready to be shipped and shipping or acceptance is delayed for reasons for which we are not responsible, the risk shall pass to the customer when the customer receives the notification that the goods are ready for shipping.

13. Liability for Defects

13.1 The customer shall be entitled to claims in the event of defects only if the customer has met its obligations with regard to inspection and reporting defects under §§ 377, 378 of the German Commercial Code without delay. Concealed defects must be reported immediately after their discovery.

13.2 In the event of a defect as to quality, we shall, at our discretion – taking the interests of the customer into consideration – provide subsequent performance either by providing a replacement or reworking the defective product. The customer may demand reworking or replacement of defective goods only if the number of defective units causes the order to be lower than the threshold for low quantity orders specified in DIN 6930. Any loss caused by defective units up to 5 per cent of the ordered quantity, but at least up to two units, shall be borne by the customer.

13.3 If there is in fact a defect, we will bear the necessary costs for examination and subsequent fulfilment ("Nacherfüllung"), particularly the costs for transport, travel, work and materials. Examination and/or subsequent fulfilment, however, do not include removal of the defective item or installation of the defect-free item if our original obligations did not include installation; the preceding half-sentence does not affect any possibility of reimbursement of removal and installation costs by way of damages ("Schadensersatz"). If a complaint by the customer turns out to be unjustified, we may demand that the customer refunds our costs incurred as a result of the complaint.

13.4 In the event we do not carry out the subsequent performance within a reasonable time, the customer may set a reasonable deadline for subsequent performance; if such deadline should expire without successful performance, the customer may either reduce the purchase price or rescind the contract or demand compensation. The customer may demand compensation because of a defect under the conditions set out in Article 14 of these terms and conditions.

13.5 With respect to our deliveries, we comply with the applicable provisions of the European Union and the Federal Republic of Germany, e.g. the REACH Regulation (Regulation No. EC 1907/2006), Act Governing the Sale, Return and Environmentally Sound Disposal of Electrical and Electronic Equipment (ElektroG) as national transposition of Directive 2002/95 EC (RoHS) and Directive 2002/96/EC (WEEE) and the Act on the disposal of End-of-life Vehicles as national transposition of EU Directive 2000/52/EC. We will notify the customer of relevant changes in the product, its availability for supply, options for use and quality, in particular if caused by the REACH Regulation, without delay and discuss measures suitable for the individual case with the customer.

13.6 The above-mentioned claims for defects shall become statute-barred twelve months after delivery. This shall not apply to intentional or grossly negligent defects or to simply negligent defects, if these result in an injury to life, body or health; in these cases the legal time limits shall apply.

14. Liability

14.1 We shall be liable in the event of intentional or grossly negligent conduct on our part and intentional or grossly negligent conduct on the part of our vicarious agents.

14.2 Furthermore, we shall be liable for non-fulfilment of warranties, in the event procurement risk has been assumed, in the event of culpable injury to life, body or health and under the liability provisions of the German Product Liability Act (*Produkthaftungsgesetz*) as well as in other cases of strict or mandatory liability.

14.3 In principle, we shall be liable in the event of any culpable breach of material contractual duties, thus such duties that make the due performance of the contract possible and with regard to which the customer therefore relies and is justified in relying on their performance. Such liability shall be limited in amount to compensation for typical, foreseeable losses.

14.4 In the event we are liable for a breach of material contractual duties pursuant to the above paragraph, we shall not be liable for indirect or consequential loss, such as loss of profits, loss of production, lost business opportunities or lost interest.

14.5 Any further liability is excluded. Any exclusion or limitation of liability shall also extend to the personal liability of our employees, workers, staff, representatives and vicarious agents.

15. Liability in the Event of Subcontracts

If we do work by way of subcontracting and materials, parts of materials, semi-finished products or tool fixtures are made available or supplied by the customer, we shall process or handle them with care and diligence. We shall only be obligated to do tests if such tests have been explicitly agreed upon and the customer bears the testing expenses. Should these objects become unusable as a result of circumstances for which we are not responsible or as a result of *force majeure*, this shall not give rise to any claim against us for replacement of the materials free of charge or reimbursement of other costs. Should parts become unusable because of flaws in the material, we shall be entitled to compensation for the relevant processing costs. If parts become unusable because of processing errors, we shall perform the same work without charge on a new part to be sent to us freight pre-paid. The customer shall accept defective goods up to 5 per cent of the total quantity. In all other respects, the provisions of Articles 13 and 14 shall apply.

16. Reservation of Title

16.1 We shall reserve title to delivered goods until we have received full payment for all claims in connection with our business relationship with the customer. This reservation of title shall not be affected by the inclusion of individual claims in a current account or by striking and acknowledging a balance. Payment shall be deemed to have been made when we have received the equivalent amount. If we agree to payment by way of a so-called cheque/bill of exchange procedure, this reservation of title shall remain in force until the bill of exchange has been redeemed by the customer.

16.2 In the event that the customer should act in breach of the contract, in particular, in the event of default in payment, the goods delivered under reservation of title may be withdrawn by us if and to the extent we are entitled to rescind from the contract due to this conduct in breach of the contract. Withdrawal of the reserved good shall be deemed to be rescission of the contract.

16.3 The customer shall be entitled to resell goods subject to a reservation of title in the course of normal business under the customer's normal business terms as long as the customer is not in default, as long as the customer reserves title to the goods and as long as the claims arising from the resale are transferred to us in accordance with the following provisions. The customer shall not be entitled to dispose of the goods subject to reservation of title in any other way.

16.4 The customer hereby assigns its claims arising from any resale of goods subject to reservation of title to us. We accept such assignment. At our request, the customer shall provide us with the information concerning such assigned claims that is necessary for collection of the debt and inform debtors of the assignment. The customer shall not be entitled to assign such claims to third parties.

16.5 Any processing or treatment of the goods subject to reservation of title by the customer shall be deemed to have been carried out for us without generating obligations for us. If the goods subject to reservation of title are processed, combined, mixed or blended with other goods that are not our property, we shall be entitled to joint ownership of the resultant new product in the ratio of the value of our goods subject to reservation of title to the remaining processed goods at the time they were processed, combined, mixed or blended. If the customer acquires sole ownership of the new product, the customer

shall give us joint ownership of the new product in proportion to our goods subject to reservation of title and shall hold it for us in safekeeping free of charge.

16.6 If the goods subject to reservation of title are resold together with other goods, regardless of status, the agreed assignment of the future claim shall be applicable only up to the value of the goods subject to reservation of title that, in combination with the other goods, are the subject matter of the supply transaction.

16.7 In the event the value of the sellable collateral exceeds the total value of our claims by more than 10 per cent, we shall be obligated to release collateral at our due discretion if requested to do so by the customer.

17. Patent Infringement

If the goods are manufactured and delivered in a special style specified by the customer (as shown in a drawing, by a sample or in other specific specifications), the customer shall warrant that the design does not infringe any third-party rights, in particular, patents, industrial design patents or other intellectual property rights or copyrights. The customer shall be obligated to indemnify us and hold us harmless from any and all third-party claims that could arise from such infringement.

18. Rescission or Termination in the Event of Inability to pay

We are entitled to rescission or extraordinary termination of the contract without notice as soon as it becomes evident that our claim for payment is jeopardised due to the inability of the customer to pay. This applies in particular to a substantial deterioration in the financial position.

19. Transfer of Rights

Both the customer and the supplier may transfer rights arising from the contract to third parties only with the consent of the respective other party.

20. Severability Clause

The ineffectiveness or invalidity of individual provisions in these general terms and conditions of sale and delivery shall have no effect on the validity of the remaining provisions.