

#### **I. Standard terms**

The legal relationships between the supplier and Feinguß Lobenstein GmbH (the Buyer) conform exclusively to these terms, and any other individual agreements, amendments or additions are required in writing. Other General Terms and Conditions shall therefore not apply even if they are not expressly contradicted in any specific case.

#### **II. Quotes and orders**

1. The supplier's quotes to the Buyer shall be free of charge and shall be made on the basis of a request from the Buyer. Any variations to this practice should be indicated separately.
2. Supply contracts (order and acceptance) and call-offs, including changes and additions, must be made in writing. Call-offs may also be made by transmitting data remotely.
3. Should the supplier not accept an order within a week of its transmission, the Buyer shall be entitled to withdraw it. Delivery schedules become binding if the supplier does not challenge these within five days of receiving them.
4. The Buyer may request changes to the delivery items in design and finish within the bounds of what can reasonably be expected of the supplier. The effects of these changes particularly in terms of additional or reduced costs as well as delivery schedules shall be agreed appropriately by mutual consent.

#### **III. Submitting invoices and payment**

1. Invoices shall be sent separately and without delay and should not be enclosed with dispatched items.
2. According to our discretion, payment shall be made within 14 days with a 3 % discount, 30 days with a 2 % discount or 60 days net. This period will begin upon receipt of the goods and invoice. Payment deadlines shall not apply during our publicised company holiday periods. Payment deadlines for deliveries made early shall be treated as though they arrived on the scheduled delivery date.
3. Payment shall be made by bank transfer or direct debit.
4. If the delivery is incomplete or inaccurate, the Buyer shall be entitled to retain part payment until it is properly completed.
5. The supplier shall not be entitled, without the prior written consent of the Buyer, which may not unreasonably be refused, to assign his accounts receivable against the Buyer or allow these to be recovered by third parties. Approval shall be deemed to have been granted for any extended retention of title.

If the supplier should assign his accounts receivable against the Buyer to a third party without the Buyer's approval in contravention of sentence 1 of point 5, this assignment shall still be valid. However, the Buyer may then, at his discretion, discharge his obligation by making payment either to the supplier or the third party.

#### **IV. Notice of defects**

If the supplied goods are defective in some way, as soon as this has been factually ascertained in the proper course of business, the Buyer shall notify the supplier within a period of a week of discovering the deficiency – or in the case of obvious deficiencies, notify the supplier in writing as soon as

delivery is made. In this way the supplier cannot raise any objection at a later date regarding notification of defects.

#### **V. Maintaining Confidentiality**

1. Contracting parties will undertake to treat all details which are not obviously of commercial or technical nature, and which they become aware of as the result of their business relationships, as business secrets.
2. Drawings, models, templates, samples and similar objects should not be made available or otherwise be made accessible to unauthorised third parties. Making copies of such objects is permissible only within the scope of business requirements and under copyright provisions.
3. Subcontractors are bound by the same obligation.
4. Contracting parties may only advertise their business relationship after receiving prior written approval.

#### **VI. Delivery dates and deadlines**

All agreed dates and deadlines shall be binding. The standard criterion for whether a delivery date or deadline is kept is the receipt of goods by the Buyer. If any such agreed delivery date is exceeded, this shall be regarded as late delivery. In the event of further cases, the supplier will be regarded as defaulting having received an appropriate warning from the Buyer.

#### **VII. Late delivery**

The supplier shall undertake to compensate the Buyer for any loss caused by delay. This shall also apply to loss of earnings and damage caused by disruption of operations and compensation claims for losses incurred by the Buyer's customers and also, when a later deadline is set to no avail, or there is no further interest in the ordered goods on account of the delay in supplying the goods, for additional expenses to cover alternative purchases.

#### **VIII. Force majeure**

Force majeure, industrial disputes, unrest, regulatory actions and other unforeseeable, inescapable and serious occurrences shall release the contracting partners from their liabilities for the period of such disruption and according to the extent of their effect. This shall also apply if these events occur at a time when the contracting party affected is in default. Contracting parties shall undertake to provide the necessary information without delay within the bounds of what is reasonable and to adapt their obligations in good faith to the altered circumstances. Should such occurrences cause the Buyer to lose interest in the goods supplied, he shall be entitled to withdraw.

#### **IX. Quality and Documentation**

1. The supplier shall adhere to the recognised codes of practice, safety regulations and technical specifications that have been agreed for the goods supplied. Any variations in the goods supplied require the prior written approval of the Buyer.
2. If the goods supplied are subject to specific regulations and provisions, the supplier shall undertake to document their compliance with these exhaustively, and to make this documentation available to the Buyer upon request. Should

the authorities require to check specific requirements by inspecting the Buyer's production process or documentation, the supplier shall also be prepared to grant the Buyer the same rights to inspect within his operations and to afford him all reasonable assistance herein.

#### **X. Liability for defects**

1. If defective goods are supplied, the Buyer may require the following if the particular legal conditions set out below apply, and provided that there is no alternative agreement:

a) Before manufacture commences (processing or assembly), the Buyer shall first give the supplier the opportunity to reject and eliminate defects or provide subsequent (replacement) deliveries of goods, unless this is unreasonable for the Buyer. If the supplier is not able to do this, or does not comply with this within an appropriate period stipulated by the Buyer, the Buyer may withdraw from the contract without setting a further deadline and return the goods to the supplier at his own risk. In urgent cases using information from the supplier, the Buyer can make good these defects themselves or by employing a third party. The costs arising from this will be borne by the supplier. If the same goods are repeatedly faulty when delivered, the Buyer shall be entitled to withdraw from the contract after written warning for defective goods repeatedly supplied including goods not yet delivered.

b) If, despite adhering to the obligations under Section IV (Notice of defects) the fault is only ascertained after manufacture commences, the Buyer may

– under § 439 sections 1, 3 and 4 of the German Civil Code, demand subsequent performance and refund of the necessary transportation costs for the replacement delivery, together with the costs of dismantling and assembly, including the cost of materials, or

- reduce the purchase price.

c) In the event of a culpable breach of obligations, the Buyer may also demand compensation for the consequential loss arising from such defects and for the Buyer to properly compensate his customer for the loss incurred. Consequential loss arising from defects is the loss which the Buyer himself has suffered for the supply of defective goods, other than the goods themselves, which are subject to legal protection.

2. The supplier shall make the parts to be replaced available at his own expense without delay when required to do so by the Buyer.

3. Claims on liability for defects shall lapse after 60 months from delivery to the Buyer. § 438 para 3 and para 4 respectively are applicable in this case.

4. If the supplied goods are faulty, the Buyer's claims arising from the law on product liability, tort and the conduct of business without due authority shall remain unaffected by this current Section X. In the same way, liability relating to previously agreed guarantees of quality and durability also remain unaffected.

#### **XI. Liability**

1. If the Buyer is the subject of a claim for liability regardless of fault based on law which cannot be varied by agreement in respect of third parties, the supplier's responsibility in respect of the Buyer shall be to the same extent as if he were also directly liable. The principles of § 254 of the German Civil Code apply when apportioning compensation for loss between the Buyer and the supplier. This shall also apply in the eventuality of a direct claim by the supplier. Furthermore, the supplier shall be liable for compensating the Buyer for any loss he incurs as the result of legitimate claims made by his customers.

2. No compensation shall be due if the Buyer has effectively limited his liability in respect of his customer. The Buyer will make every effort to agree on the limitation of liabilities within the permissible scope of the law, also on behalf of the supplier; however, the supplier may have no basis for a claim in this regard.

3. The Buyer shall also have no claims if the loss can be attributed to the Buyer or his customers for failures in following handling, servicing or assembly instructions, inappropriate or improper use, incorrect or negligent treatment, natural wear and tear or faulty repairs.

4. The supplier shall also be liable, to the extent of his liability, for the measures the Buyer takes to minimise loss (e.g. product recall).

5. The Buyer shall without delay fully inform and consult with the supplier in the event that he wishes to make a claim against the former in accordance with the above regulations. He shall give the supplier an opportunity to investigate the circumstances of the loss. The contracting parties shall agree on the measures to be taken, particularly over proceedings for conciliation.

#### **XII. Property Rights**

1. The supplier shall be liable for claims arising from infringements of property rights and property rights applications (copyrights) during the operation or the contractual use of the articles supplied, of which at least one of the family of property rights has been published either in the supplier's own country, by the European Patent Office or in one of the states of the Federal Republic of Germany, France, Great Britain, Austria or the USA.

2. He will exempt the Buyer and his customers from all claims arising from the use of such property rights.

3. This shall not apply in the event that the supplier has produced articles made from the Buyer's drawings, models or other similar descriptions and details passed to him by the Buyer, and that he is not aware or could not be aware that the products he has developed have thus infringed property rights.

4. The Buyer shall be exempt from any claims made by third parties to the extent that the supplier has no liability under item 3.

5. The contracting parties shall undertake to inform each other immediately they become aware of any risk of infringement or cases of alleged infringement, and to give themselves the opportunity to counter such claims in an amicable fashion.

6. At the request of the Buyer, the supplier shall disclose the use of published and unpublished property rights relating to the article supplied, and those applied for, which are either his own or are held under licence.

#### **XIII. The use of manufacturing equipment and the Buyer's confidential data**

Models, matrices, templates, samples, tools and other manufacturing equipment, as well as confidential data which the Buyer makes available to the supplier or which he pays for, can only be used for supplying goods to third parties with the prior written approval of the Buyer, and must be returned without dispute to the Buyer at any time following a reasonable request for this. After return, the supplier's obligations to deliver such items shall be suspended, for the further manufacture and/or delivery of which he would require the returned items.

**XIV.Retention of title**

The Buyer acknowledges customary commercial and industrial standards in respect of the laws on retention of title. Provided that assignments are not disclosed in respect of the Buyer and are acknowledged by the supplier, he shall be entitled to make payment to the supplier in discharge of the debt.

**XV. General provisions**

1. Should one of the contracting parties stop his payments or if insolvency or out of court settlement proceedings are instituted against his assets, the other party shall be entitled to withdraw from the part of the contract which remains unfulfilled.
2. Should a single provision of these conditions, or of other

agreements which have been made, be or become ineffective, the validity of the rest of the contract shall remain unaffected by this. The contracting parties shall undertake to replace the ineffective provision with an effective provision as close as possible to the original.

3. The laws of the Federal Republic of Germany shall alone apply in the absence of any other agreement. The United Nations Agreement of 11/04/1980 relating to contracts on the international purchase of goods shall not apply.

4. The place of execution shall be the Buyer's registered offices. Other arrangements may be agreed for supplying the goods.

5. The court of jurisdiction shall be the location of the Buyer's registered offices.