

General Terms of Payment and Delivery of Stahl- und Hartgusswerk Bösdorf GmbH (As on 01.07.2014)

Our deliveries are made and services rendered only on the basis of the following conditions. Other conditions of the orderer shall not be applicable even when we are aware of them and make the delivery unconditionally. Our conditions shall not be applicable towards consumers as defined by § 13 of the Civil Code. They shall be applicable for all future businesses with the orderer resulting from the current business relationship. All agreements made between us and the orderer for the execution of this contract shall be stipulated in writing in this contract. Any amendments and additions to the contract shall require written form.

1. Conclusion of contract, scope of delivery

- a) Our offer shall be non-binding, unless something else results from the order confirmation or unless we have declared something else explicitly in writing. A contract shall materialise only when we have confirmed an order in writing or when we execute the order.
- b) The details included in the brochures and catalogues such as photos, drawings, weights and dimensions, etc. shall be customary approximated values, provided they have not been explicitly indicated to be binding.
- c) We reserve the rights of title and copyrights to photos, brochures, calculations and other documents; these may not be made accessible to third parties. This is particularly applicable for written documents, which have been marked as "confidential"; the orderer may not forward these to third parties without our explicit written consent.

2. Pricing and terms of payment

- a) Our prices are applicable ex factory plus packaging, freight, postage, insurance and legal VAT, if any.
- b) If, after concluding the contract, the order-related costs change significantly, the contractual partners shall decide upon an adjustment.
- c) Unless otherwise agreed upon, our invoices shall be paid immediately without any delay.
- d) The orderer shall only be authorised to hold back payments or offset them on account of any counter-claims, as far as undisputed or legally established payment claims exist.
- e) Even if we have partly delivered defective goods, the orderer shall be under obligation to make the payment for the undisputedly defect-free goods, unless the part delivery is of no interest to the orderer.
- f) We will accept discountable and duly taxed bills of exchange if it has been expressly agreed upon beforehand. Credit notes against bills of exchange and cheques shall be issued subject to receipt and minus the disbursements at the value on the day on which we are able to access the exchange value.
- g) If we are obliged to deliver in advance and if, after the contract is signed, we become aware of circumstances which jeopardise our claim to payment due to a failure in performance on the part of the orderer, we may, in addition to legal claims, under the reservation of title agreed under point 9, prohibit the resale and processing of the goods supplied and demand their return or the transfer of direct ownership of the goods supplied at the orderer's cost, and cancel the direct debit mandate under the provisions of point 9 letter h). Even now, the orderer authorises us to enter their company and to collect the delivered goods in the aforementioned cases. The return of the goods will entail withdrawal from the contract only when this is explicitly declared by us.
- h) In the event of default of payment, we shall have the right to suspend the fulfilment of our obligations upon a written notice until the payment has been received. Following a reasonable period of notice, we shall also have the right to withdraw from the contract.

3. Delivery period

- a) Delivery periods begin with our order confirmation, but not before all details of the execution have been clarified and all other conditions to be fulfilled by the orderer have been fulfilled; the same shall be applicable for delivery dates. Deliveries before the expiry of the delivery time and part deliveries shall be permitted provided that this is not unreasonable for the orderer. The day of notification of readiness for dispatch, or the day of the dispatch shall be considered as the delivery day. Unless otherwise agreed upon or unless something else results from the contractual relationship, the delivery time indicated by us shall always be non-binding.
- b) The agreed delivery periods and dates can be extended or postponed without prejudice to our rights resulting from the default of the orderer, by the period by which the orderer is in arrears with regard to his obligations. If the orderer delays acceptance or if they infringe other duties of cooperation, then we shall be entitled to claim compensation for damages incurred by us including any additional expenditures. In this case, the risk of accidental loss or of accidental degradation of the item purchased transfers to the orderer at the point at which the orderer falls into default of acceptance.
- c) If we fall into arrears, the orderer may define an appropriate period of grace with the express statement that, following this period, he will not accept delivery and will withdraw from the contract.
- d) The orderer must, at our request, state within an appropriate period of time whether, as a result of the delay in delivery, he will withdraw from the contract and/or request compensation for damages instead of delivery, or insist on delivery.

4. Serial delivery, long-term and call-off contracts

- a) Contracts for an unlimited period may be terminated with a period of 6 months to the months end.
- b) If, under long-term contracts (contracts with a duration of more than 12 months and contracts for an unlimited period), there is a significant change in the salary, materials and energy costs after the first four months, either of the contractual parties is entitled to request that prices be adjusted taking these factors into account.
- c) Our prices are calculated on the basis of the agreed order volumes. If no binding order volumes are agreed, our calculation will comply with the agreed target volumes. If the final order quantity or target quantity falls short, we are entitled to increase the price per unit accordingly. If the orderer

exceeds the quantity with our agreement, he may request an appropriate reduction in the price provided he does so in writing at least 2 months prior to the agreed delivery deadline.

The level of reduction or increase shall be ascertained according to our bases of calculation.

- d) Under call-off supply contracts, binding quantities must be called off at least 3 months prior to the delivery deadlines unless agreed otherwise agreed upon. Additional costs caused by the orderer due to late call-off in terms of time or quantity shall be met by the orderer, in which case, our calculation is definitive.
- e) In the case of serial production, over or under delivery up to 10 % compared with the volume ordered is permitted because of the special features of the casting process.
- f) The total price shall change depending on the scope of the order.

5. Force majeure and other obstacles

- a) Events of force majeure, industrial action, lock-out and government measures entitle us to postpone delivery and appropriate lead times for the duration of the obstacle, or withdraw fully or in part from the contract because of the part of the contract not met.
- b) Equivalent to force majeure are unforeseen circumstances e.g. business disruptions, rejects and rework which render it impossible for us to deliver on time despite all reasonable efforts; we must provide evidence of this.

6. Test processes, acceptance

- a) If acceptance has been agreed upon, the extent and conditions of such testing must be fixed before the conclusion of the contract.
- b) If this is not the case, acceptance shall be carried out according to our customary procedure and our customary conditions. The same shall apply to initial sample testing.

7. Dimensions, weights and units

- a) Deviations in dimensions, weight and unit sizes are permitted within standard tolerances, relevant DIN stipulations and casting requirements. Details of dimensions and weights in our proposals and order confirmations are no guarantee of actual condition.
- b) For calculation purposes, the delivery weights and unit sizes stated by us are definitive.

8. Dispatch and transfer of risk

- a) Unless agreed otherwise in writing, the delivery clause is "ex works" (Incoterms 2000). This applies equally where we have agreed to take over the costs of carriage.
- b) We will cover delivery with transport insurance only at the orderer's express wish; all costs incurred as a result shall be paid by the orderer.
- c) Goods ready for dispatch must be accepted immediately otherwise we are entitled to choose to dispatch them at standard costs or to store them at the orderer's risk; we are also entitled to store them if dispatch cannot be completed through no fault of ours. Goods shall be deemed to have been delivered after one week of storage.
- d) If not specifically indicated, the choice of transport method and route shall be at our discretion.
- e) Risk is transferred to the orderer when goods are passed to the railway, transport company or freight forwarder or one week after the start of storage, and at the latest when goods leave the factory or storage including where we have assumed delivery.

9. Retention of ownership

- a) All delivered goods shall remain our property (reserved goods) until all claims, especially the respective balance claims, to which we are entitled within the framework of the business relationship, are fulfilled. This applies equally to payments against specially designated amounts due.

If the orderer falls into payment arrears, we are entitled to request withdrawal of the good delivered. The orderer shall bear the costs for this. This does not apply where the orderer has applied for or initiated insolvency proceedings since we are in this case not entitled to reclaim the goods supplied immediately.

- b) The return of the goods or the reservation of the ownership will entail withdrawal from the contract only when this is explicitly declared by us.
- c) The orderer shall always finish and process the goods delivered on our behalf. If the retained goods are processed or irreversibly associated with other items that do not belong to us, then we acquire co-ownership on the new item in relation to the value of the goods' invoice value to the other processed or mixed goods at the time of processing.
- d) If our ownership expires as a result of combining or mixing, the orderer shall transfer the ownership rights to us now for the new item or product to the amount of the invoice value of the retained goods and shall hold them in custody on our behalf at no charge. The ensuing rights of co-ownership are deemed to be retained goods as defined under a).
- e) The orderer may sell the conditional goods only in the normal course of business at his standard business conditions and as long as he is not in default, provided that the claims arising from the resale are transferred to us as laid down in f) and g). The orderer is not authorised to make other disposals of the reserved goods.
- f) The orderer's receivables from the resale of the reserved goods are herewith assigned to us.

They shall be utilized as collateral in the same manner as the reserved goods.

- g) In the event that the reserved goods are sold by the orderer along with the other goods that we have not delivered, the assignment of the receivable from such resale transactions shall only apply to the amount of our invoice value as it pertains to the reserved goods sold. In the event that goods that we have co-ownership title to pursuant to Letter b) are sold, the assignment shall apply to the amount of these co-ownership shares.

- h) The orderer shall have the right to collect any receivables from the sales pursuant to Letters e) and f) until we revoke the said right. We have the right of revocation in

the cases stated in section 2 if the orderer is in arrears of payment, if an application for insolvency proceedings has been made or if payments have been suspended. In all of these cases, the orderer shall undertake to disclose to us immediately all assigned receivables and the related debtors, to provide us with all information required for collection, to release any related documentation and to notify the debtors of the assignment.

The orderer shall not have the right to dispose of such claims in any other way.

i) In the event that the value of the existing collateral should exceed the securitized receivables by more than 20 % overall, we shall be required to release collateral to this extent at our discretion. The orderer shall be required to immediately notify us should the collateral be attached or otherwise obstructed by any third parties.

10. Liability for material defects

a) We shall be liable for ensuring that the parts supplied by us have been manufactured perfectly in accordance with the agreed technical supply specifications. The orderer is particularly responsible for appropriate construction given the intended use taking into account any safety provisions, selection of the materials and necessary test procedures, the accuracy and completeness of the technical delivery specifications and the technical documents and drawings supplied as well as construction of the production facilities provided, including where amendments are suggested by us and which they approve. The orderer is additionally responsible for ensuring that trademark or other rights of third parties are not breached by their specifications. The contractual condition of goods is defined at the point at which the risk is transferred.

b) We are not liable for insignificant deviation from the condition agreed where usability is only slightly impaired or for defects arising from unauthorised or improper use, incorrect assembly or commissioning and normal wear and tear. Neither are we liable for incorrect modifications and commissioning by the orderer or third parties, and the consequences of this.

c) The orderer must report defects in writing immediately upon receipt of the goods at the destination, and report defects as soon as they are discovered.

d) Defects which should have been established during the final acceptance or testing of the initial samples in accordance with point 6 are excluded.

e) We must be given the opportunity to assess the defects reported. Only in urgent cases where there is a risk to operational safety and to avert further disproportionate damage to the orderer, we must assess the defects reported immediately. Goods for which claims have been filed shall be returned to us immediately upon request. If the orderer fails to comply with these obligations, or carries out modifications to goods already reported as defective without our permission, they lose all rights arising from defects.

f) Where reports of defects are received in good time and are justified, we may elect either to repair the goods, or supply a defect-free replacement (subsequent performance).

g) If we fail to comply, or do not comply within an appropriate period, with our warranty obligations, or if the repair is initially unsuccessful, the orderer may submit a final deadline in writing by which we must meet our obligations. It is not necessary to fix a term if it would be unacceptable for the orderer. Upon the expiry of this time limit, the orderer may, at his choice, demand a reduction in price, rescind the contract, or carry out the necessary repair work himself or have such repair work carried out by a third party at our expense and risk. If the orderer or a third party completes repair successfully, all the orderer's claims are deemed to have been met once all necessary costs incurred by him have been reimbursed.

h) Claims on the part of the orderer for necessary costs for the purposes of repair, incurred because the goods were taken to a different location following delivery, are excluded where they increase costs unless said transfer complies with normal use.

i) The orderer has statutory rights of recourse against us only in so far as the orderer has not reached any agreements with his customer which go beyond the statutory claims for defects.

j) Further claims on the part of the orderer are excluded in accordance with point 13.

k) The orderer is required to provide evidence of any defect.

11. Order-related manufacturing equipment, parts to be cast

a) Order-related production equipment such as models, templates, core boxes, chill-moulds, casting tools, devices and control calibres provided by the orderer shall be sent to us free of charge. We shall inspect any manufacturing equipment supplied by orderer for compliance with contractual specifications, or drawings or patterns provided to us only if this has been expressly agreed. Manufacturing equipment provided by the orderer may be modified by us if this appears necessary for technical reasons and the workpiece is not affected thereby.

b) The costs for the modification, maintenance, repair and replacement of his manufacturing equipment shall be charged to the orderer.

c) Manufacturing equipment shall be treated by us with the same care and stored under the same conditions as used for our own property. We are not liable for accidental loss or deterioration of the manufacturing equipment. We are not under obligation to take out insurance.

d) The contractual parties hereby acknowledge and agree that ownership in order-related manufacturing equipment made or procured by us at the orderer's request will be transferred to the orderer upon payment of the agreed price and/or cost share. The transfer of the equipment will be replaced by our retention obligation. Such equipment will be kept by us for a period of 3 years after the last casting. We may

return the orderer's manufacturing equipment no longer required by us at the orderer's cost and risk or, if the orderer fails to comply with our request to collect the equipment within an appropriate period, store it at standard costs to be borne by the orderer under threat of destruction at the orderer's cost following an appropriate deadline. The storage relationship may be terminated by the orderer at the earliest two years after the title transfer, provided an important reason did not arise in the interim. Point 11 letter c) is correspondingly applicable.

e) Claims arising from copyrights or industrial property rights shall be claimed by the orderer only to the extent that the orderer points us to the existence of such rights and reserves them explicitly.

f) In the event that the utilization of the manufacturing equipment designated for one-time use only should result in scrap, the orderer shall be required to either provide new manufacturing equipment or to bear the costs for any substitute equipment.

g) Parts to be cast by us shall be supplied in the proper dimensions and in perfect condition by the orderer. The orderer must supply replacements free of charge if parts become unusable due to rejects.

12. Confidentiality

a) Each of the contracting parties undertakes to use all documents (including samples, patterns and data) and knowledge which they receive in the course of the business relationship for the jointly pursued purpose and to maintain their secrecy towards third parties with the same care as exercised with regard to their own equivalent property if these are designated as confidential or the other party has an obvious interest in maintaining their secrecy.

b) This obligation commences with the first receipt of documents or knowledge and terminates 36 months after the end of the business relationship.

13. General limit of liability

a) Unless specified otherwise below, other claims and claims of a wider scope against us on the part of the customer, on any legal grounds whatsoever, and in particular because of breach of obligations and unauthorised action, are excluded.

b) This limit of liability does not apply in the case of mandatory liability e.g. in accordance with the Product Liability Act, in the case of wilful intent, gross negligence on the part of legal representatives or executive employees and in the case of culpable breach of fundamental contractual obligations. In cases of culpable breach of major contractual obligations, we will only be liable for damages that are typical and reasonably foreseeable for the type of contract except in cases of intent or gross negligence on the part of our legal representative or management employees. Neither does this limit to liability apply to damages arising from injury to life, body and health and in the case of the absence of guaranteed condition, where and in so far as the said guarantee has the specific purpose of covering the orderer against damages not arising from the goods supplied themselves.

c) To the extent that our liability is excluded or limited, this applies equally to the personal liability of our employees, workers, personnel, legal representatives and vicarious agents.

d) The orderer's entitlement to claim compensation for damages and defects expires one year following delivery of the goods to the buyer. This does not apply where the law under §§ 438 clause 1 no. 2 (Construction and items generally used in construction) and 479 clause 1 (Right of recourse) of the Civil Code prescribes longer periods, and in cases of injury to life, body and health, in the case of wilful or grossly negligent breach of obligations on the part of the supplier and where a defect is concealed fraudulently. This shall be without prejudice to the statutory provisions on the term limitation hindrance, the hindrance and restart of term limits. Damage compensation claims pursuant to the Product Liability Act shall be subject to the statutory term limits. These legal statutes of limitation apply also in the case of wilful or grossly negligent breach of obligations.

14. Place of performance and jurisdiction

a) If the orderer is a merchant, the jurisdiction shall be the Leipzig district court. We shall however also be entitled to bring an action against the orderer at the court where their registered office is located.

b) Unless arising otherwise from the order confirmation, the place of performance for our services shall be the place of supply. The place of performance for payment obligations shall be Leipzig.

15. Applicable law

The legal relationships between the parties shall be governed exclusively by the German law under exclusion of the UN Convention on the International Sale of Goods (UNCITRAL/CISG).

16. Part invalidity

In the event that individual provisions of these General Delivery and Payment Terms and Conditions should be ineffective or void in whole or in part, the contractual parties shall undertake to agree to a provision that largely attains the purpose and objective the ineffective or void provision aimed at.

17. Partnership clause

Any amount paid in compensation, particularly for damages, should be determined bona fide in consideration of the economic situation of the contractual parties, the nature, scope, and duration of the business relationship, and the value of the goods involved.