

## General terms of delivery and payment

### 1. Scope of application

- (1) The following terms and conditions apply to all our deliveries and services to persons who on conclusion of the contract are acting in the exercise of their commercial or self-employed professional activity (entrepreneurs), as well as to legal persons of public law, or a special fund under public law.
- (2) Our deliveries and other services are carried out solely based on these general terms and conditions of delivery and payment. Deviating conditions of purchase of customer are generally not acknowledged. They shall not become subject matter of the contract by our acceptance of purchase orders.
- (3) Separate orders, collateral agreements, changes and other agreements shall only become effective if confirmed by us in writing.
- (4) The information and illustrations contained within brochures and catalogues are approximate values customary for the industry, unless we have expressly designated them as binding. They do not constitute guarantees as such.

### 2. Confidentiality

- (1) The customer shall use all documents (including samples, models and data) and information received because of the business relationship, as well as constructive services and proposals for the design and production of forgings provided by us, exclusively for the joint objectives pursued. The customer will keep them confidential vis-à-vis third parties with the same care as exercised for his own documents and information in case we designate them as confidential, or have an obvious interest in keeping them confidential. This obligation starts from the first receipt of the documents or knowledge and ends 36 months after the end of the business relationship.
- (2) This obligation does not apply to documents and information that are general knowledge, or which were already known to the customer before he was bound by this confidentiality obligation, or which are subsequently forwarded by a third party authorized to do so, or which are developed by the customer without utilization of our documents or knowledge under confidentiality obligation. Likewise, this obligation does not apply to documents and information that must be disclosed as required by law or orders of a court or authority. Consultants may be granted access to confidential information on condition that they are subject to professional secrecy or they have previously committed to the confidentiality obligations of this agreement.

### 3. Ownership of tools, equipment, drawings and documents

Tools created for the production of forged parts and devices remain our property - independent of the cost share calculation - as well as drawings provided to the customer or technical documentation about the goods to be delivered or their production.

### 4. Samples and production equipment

- (1) Unless otherwise agreed, the production costs for samples and production equipment (tools, molds, templates, etc.) will be charged separately in addition to the goods to be delivered. The invoice amount is immediately due for payment without deduction. This also applies to production equipment that must be replaced due to wear and tear.
- (2) The costs for the maintenance and proper storage, as well as the risk of damage or destruction, of the production equipment shall be borne by us.
- (3) In the event that the customer suspends or terminates the cooperation while samples or production equipment are being produced, production costs incurred up to that point shall be borne by the customer.
- (4) The production equipment remains in our possession initially even if the customer has paid for it. Production equipment will be provided on condition that a mutual agreement has been reached and the customer has met his contractual obligations in full.

(5) We will store the production equipment free of charge for three years after the final delivery to the customer. After expiry of this period, we will request the customer in writing to forward instructions on the further use of the equipment within 6 weeks. Our obligation to retain such materials shall end if no reply is received within these 6 weeks or in case that no new order is placed. In the event that the customer calls for retention periods exceeding three years, we shall be entitled to demand storage costs.

(6) Purchaser-related production equipment may only be used for supplies to third parties with the written consent of the customer.

## **5. Prices**

(1) Unless otherwise agreed, our prices are in euros (EUR) excluding packaging, freight, postage and insurance. VAT will be charged additionally as applicable.

(2) Prices are based on the cost bases of our purchase offer. For services rendered later than four (4) months after the conclusion of the contract, we shall be entitled to invoice labor and / or material price increases if any, as well as energy price increases, with a reasonable cost surcharge.

## **6. Terms and conditions of payment**

(1) Unless another arrangement has been expressly made, our invoices shall be due for payment within 30 days of the invoice date without deduction.

(2) We shall have the right to assign the claims from our business relations.

(3) In the event that we have indisputably delivered partially defective goods, customers are nevertheless obliged to make payment for the non-defective portion, unless the customer has no interest in the partial delivery. In addition, the customer can only offset with legally established and undisputed counterclaims.

(4) In case of default, we are entitled to charge interest at the rate calculated by the bank charges for current account overdraft, but at least to the amount of 8 percentage points above the applicable base rate according to section 247 subsection 1 of the German Civil Code (BGB). In the event of default of payment, we are entitled, after written notification of the customer, to suspend the execution of our obligations until the payments have been received.

(5) Bills of exchange and cheques are only accepted if so agreed, as well as in lieu of formal payment, and provided they may be discounted. The discount charges are calculated from the date the invoice is due. Any guarantee for proper submission of the bill of exchange and for the lodging of the protest of the bill of exchange is excluded.

(6) In case a significant risk to our payment claim arises after the conclusion of the contract due to the customer's failure to meet payment obligations, we can refuse performance and set a reasonable deadline to the customer for delivery versus payment or the provision of security. In case of refusal of the customer or expiry of the deadline, we are entitled to rescind the contract and claim damages.

## **7. Delivery / Dates / Sub-suppliers**

(1) Unless otherwise agreed, we deliver FCA (Free Carrier) Fridingen (Incoterms 2010). Decisive for compliance with the delivery date or the delivery deadline shall be the notification of dispatch or collection by us.

(2) The delivery period is reasonably extended in case of the circumstances mentioned in section 15.

(3) The delivery dates specified in our confirmation of the purchase order are subject to the timely delivery of materials from our sub-suppliers. Delivery dates are only binding if we expressly confirm the obligation.

(4) We are entitled at any time to use, or change, sub-suppliers without prior consultation with the customer. We will make our best efforts to carefully select our sub-suppliers.

(5) Partial deliveries are permitted within reason. They will be invoiced separately. Delivery quantities deviating from the purchase order shall be permissible within the tolerances specified in DIN EN 10254: 1999. For the calculation, the delivered quantity as determined by us shall be permissible.

- (6) In case of cancellations or "on-demand" positions within three (3) months before reaching a delivery date, we cannot release the customer from the purchase obligation for the previously acquired primary material.

## **8. Packaging**

At the customer's request, our products will be delivered to customer in both disposable as well as reusable packaging and in both cases according to the German Packaging Regulation for the Avoidance of Packaging Waste (VerpackV). Disposable packaging such as wooden crates, cardboard boxes, etc. are calculated at cost price and will not be taken back. Reusable and lattice box pallets, pallets with collars and lids, as well as containers and cassettes remain our property; they must be immediately returned to the delivery point at no cost for us.

## **9. Shipping and transfer of risk**

- (1) Goods notified as ready for shipment must be accepted without delay; otherwise, we shall be entitled to ship them at our own discretion or store them at the expense and risk of the customer. The same applies if the shipping taken over by us cannot be performed without fault on our part. One week from commencement of storage, the goods shall be deemed delivered. Unless otherwise agreed, we will choose the means of transport and the transport route. Partial deliveries are permitted.
- (2) With the handover to the railway, forwarding agent or freight carrier, or on commencement of storage, but at the latest when leaving the factory or warehouse, the risk is transferred to the customer, even if we have undertaken delivery.

## **10. Performance of the contract and delayed delivery**

- (1) Contract fulfillment is subject to the proviso that no obstacles of national or international administration to the contrary. Our confirmation of the purchase order will be subject to the validity of prohibitions or constitutionally effective embargo, in particular by the United Nations or the EU.
- (2) If we can foresee that the goods cannot be delivered within the delivery period, we shall notify the customer accordingly immediately in writing, giving the reasons for this and, if possible, stating the expected delivery date.
- (3) If delivery is delayed by one of the circumstances mentioned in section 14 or an act or omission of the customer, a reasonable extension of the delivery period appropriate to the circumstances will be granted.
- (4) The customer is only entitled to withdraw from the contract if we are responsible for the non-compliance with the delivery date and the customer has unsuccessfully set a reasonable grace period.

## **11. Retention of title**

- (1) We reserve until all claims from the business relationship with the customer as far as the title to the goods delivered is concerned; in this context, all deliveries are considered a single delivery transaction. If operating a running account, the retention of title shall serve as a security for an outstanding balance.
- (2) The customer is entitled to sell the delivered goods in the normal course of business, unless we revoke this permission. However, the customer may neither pledge the goods subject to retention of title nor assign them as a security. The customer shall be obliged to safeguard our rights in credited resale of the reserved goods.
- (3) To exercise the retention of title, withdrawal from the contract is not required.
- (4) All claims and rights arising from the sale or, if applicable, the leasing of the goods if any, to which the partner is entitled and to which we hold ownership rights, shall be assigned to us for security at this point. We hereby accept the assignment.
- (5) Any preparation or processing of the reserved goods is undertaken on our behalf by the customer. If the reserved goods are processed or inseparably mixed with other items not belonging to us, then we shall acquire co-ownership of the new item according to the ratio of the invoice value of the goods subject to retention of title, to the other goods processed or mixed at the time of processing or mixing.

- (6) If our goods are connected with other movable objects to form a single object or if they are inseparably mixed, and the other item is to be regarded as the main item, the customer agrees to transfer joint ownership to us in proportion to the extent to which the main item belongs to the customer. The purchaser shall keep the property or co-ownership in safe custody for us. As for the rest, the same applies to the item resulting from the processing, transformation or connection as well as mixing as for the reserved goods.
- (7) The customer undertakes to inform us without delay if a third party carries out enforcement proceedings on the reserved goods, the claims assigned in advance or other securities while providing us with the documentation necessary for intervention. This also applies to impairments of any kind.
- (8) If the value of the existing securities exceeds the existing securities by more than 20 percent, we undertake to release securities of our choice at the request of the customer.

## **12. Withdrawal**

- (1) For breaches of duty of the customer, especially in case of default, we are, after unsuccessful expiry of a reasonable period for performance granted to the customer, entitled to withdraw from the contract with regard to the goods delivered. The statutory provisions concerning the dispensability of setting a deadline remain unaffected. The purchaser is obliged to surrender the goods delivered.
- (2) In addition, we are entitled to withdraw from the contract, if insolvency proceedings over the assets of the customer have been opened.

## **13. Material defects**

- (1) The condition of the goods is based exclusively on the agreed technical delivery instructions. If we are to perform delivery in line with drawings, specifications, samples etc. belonging to our customer, the customer shall bear the risk of the suitability for the intended purpose. The time at which risk is transferred shall be decisive with regard to the contractual condition of the goods, pursuant to section 9.
- (2) We shall neither be responsible for defects caused by inappropriate or improper use, faulty assembly or commissioning by the customer or third parties, normal wear and tear, faulty or negligent treatment, nor for the consequences of improper modifications, or modifications carried out without our consent, by the customer or third parties. The same shall apply to defects that only marginally reduce the value or suitability of the goods.
- (3) Material defect claims come under the statute of limitations within 12 months.
- (4) If acceptance of the goods or an initial inspection of a sample has been agreed, any notice of defects shall be excluded which the customer, upon careful acceptance or initial inspection of the sample, would have been able to note.
- (5) We shall have the opportunity to establish defects claimed. Goods forming the subject of a complaint must be returned to us upon request without delay; we shall bear the transport costs if the notification of the defect is justified. In the event that the customer does not comply with these obligations or modifies the goods already complained without our consent, he shall lose any material defect claims.
- (6) In the case of justified, timely notice of defects, we are free to either rectify the goods forming the subject of the complaint or deliver faultless replacement goods.
- (7) If we are not willing or able to perform such rectification of defects or provide replacement, the rectification or replacement is delayed for reasons for which we are answerable, or the rectification or replacement fails in any other way, the customer, provided that further attempts at subsequent performance are unacceptable for him, shall be entitled at his discretion to either withdraw from the contract or reduce the purchase price. Reimbursement shall be excluded if the expenses increase because the goods were relocated after our delivery, unless this complies with the intended use of the goods.
- (8) Legal recourse claims of the customer against us shall exist only to the extent that the customer has not made any agreements with his buyer that go beyond statutory warranty claims. Section 13 subsection 7 last sentence applies accordingly to the scope of recourse claims.

#### **14. Other claims, liability**

- (1) We are liable in accordance with the provisions of the German Product Liability Act (ProdHaftG) as well as in the cases of inability and impossibility for which we are responsible. In addition, we shall be liable for damages in accordance with statutory provisions in cases of intent, gross negligence, upon assumption of a guarantee, as well as injury to life, limb or health for which we are responsible. In case that we violate a contractual obligation (so-called cardinal obligation) with simple negligence, i.e. a duty whose fulfillment is essential for the due and proper implementation of the contract and on whose observance the lessee can reasonably rely on, our liability shall be limited to foreseeable damages typical of the contract. In all other liability cases, claims for damages for the breach of an obligation arising from obligations under the agreement and tort are excluded, to the effect that we are not liable for lost profits or other financial damages of the customer.
- (2) Insofar as our liability is excluded or limited in accordance with the provisions above, this shall also apply to the personal liability of our employees, workers, staff, representatives and agents.

#### **15. Force majeure**

Force majeure, industrial disputes, unrest, official measures, failure to deliver on the part of our suppliers and other unforeseeable and unavoidable events and serious events shall release the parties from their obligations to perform for the duration and to the extent of such disruption. This also applies if these events occur at a time when the contracting party concerned is in default, unless it caused the default intentionally or through gross negligence. The contracting parties shall, within reasonable bounds, promptly provide all necessary information and adjust their obligations to the changed circumstances in good faith.

#### **16. Place of performance, place of jurisdiction**

- (1) Unless otherwise stated in the purchase order, the place of performance is our registered office. For all legal disputes, including bills of exchange or checks, the place of jurisdiction shall be our registered office or Bonn (Germany). Alternatively, we can sue at the customer's headquarters.
- (2) This agreement is subject to the substantive law of the Federal Republic of Germany, excluding its provisions on conflicts of law. The applicability of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG - "Vienna Sales Convention") is excluded.

Status date: February 2020