

1. Terms of Delivery

1.1 All orders from Kayser shall be filled exclusively in accordance with these purchasing terms unless expressly agreed otherwise in individual cases. Suppliers' deviating terms of sale shall not form the basis of a contract even if Kayser does not expressly contradict them in individual cases. Alterations or supplements and other subsidiary agreements must be made in writing.

1.2 The goods shall be produced and the services provided in conformance to the specifications, drawings, descriptions and other documents agreed on between Kayser and the supplier. The supplier shall provide his services within a quality management system in conformance to the requirements of EN ISO 9000 ff and constantly update this system in accordance with state-of-the-art developments. The "Quality Assurance Agreements" as last amended and in the form disclosed to the suppliers shall apply in addition.

2. Orders

2.1 Deliveries shall be provided on the basis of written single orders or rolling partial deliveries scheduled by Kayser. The details of the procedures in partial delivery schedules are set down in "Kayser Delivery Instructions for Handling Orders" which is the subject-matter of the agreements with the suppliers.

2.2 Individual orders must be acknowledged by the supplier immediately on receipt. Partial delivery call-forward notices do not require acknowledgment by the supplier. The delivery call-forward notices within the separately agreed binding periods for taking delivery shall be deemed to be accepted if not opposed immediately after receipt of the respective partial delivery call-forward notice.

2.3 Kayser may demand alterations in the contract products in terms of design and finish within reasonable bounds of fairness to the supplier. The effects, in particular with regard to increased or decreased costs as well as alterations in the delivery dates, must be regulated appropriately by mutual agreement.

3. Materials Provided

3.1 Kayser shall retain ownership of any material or devices provided by Kayser for the supplier's services. The supplier shall be obliged to handle these carefully and properly and to insure them at reinstatement value against fire, water and storm damage.

3.2 Before beginning manufacturing, the supplier must examine the provided materials for visually recognisable deficits and to check identity. During manufacturing, the supplier shall carry out more examinations and document these in accordance with the rules, in so far as such rules are specially agreed with Kayser or are required under its quality management system. If the supplier discovers shortcomings in the quality of the materials or appliances provided by Kayser, he shall inform Kayser immediately in order to arrange further measures.

3.3 The materials provided by Kayser shall be processed in each case for Kayser. In so far as the value of the materials provided by Kayser exceeds the value of the processing and if applicable the value of the other constituent parts of the newly produced items, Kayser shall also acquire ownership of the newly produced items or co-ownership according to the proportion of the value of the material provided to the value of the processing and the other constituent parts.

3.4 A contractor's lien in accordance with § 647 BGB (German Civil Code) shall be excluded.

4. Delivery Deadlines, Default of Delivery

4.1 Agreed delivery dates are binding and refer, unless otherwise agreed, to the arrival at the unloading point specified in the order.

4.2 Kayser must be notified immediately of any foreseeable delivery delays.

4.3 In the event of non-compliance with the agreed delivery dates, the supplier shall be obliged to provide compensation to Kayser for the damage caused by the delay in so far as he (the supplier) is responsible for the delay.

4.4 After a fruitless expiration of a period of grace or a lapse of interest, Kayser shall be entitled to demand compensation for non-fulfilment or to withdraw the order concerned.

In the event of repeated delays in delivery, Kayser shall be authorised after prior warning to cancel with immediate effect all orders not yet filled at that point in time.

4.5 If deliveries arrive before the agreed date, we shall be entitled to return them at the supplier's expense and risk or to charge storage costs.

5. Transport, Packaging, Passage of Risk

5.1 Deliveries shall be free to works including all related costs and packaging. The supplier shall bear any disposal costs for the packaging.

5.2 In each case, the risk shall not pass until the goods are delivered at the agreed unloading point. This shall also apply if the freight charges are borne by Kayser on the basis of a special agreement. In so far as the goods are transported at Kayser's expense, Kayser's forwarding instructions shall be observed.

5.3 A delivery docket in duplicate must be enclosed with every delivery at the marked spot.

5.4 If work is done on Kayser's factory grounds, the existing safety regulations must be observed.

6. Payment and Terms of Payment

6.1 We pay exclusively on the 25th of the month following the invoicing or provision of service minus 3 % discount; alternatively, 60 days net. The means of payment shall be at our discretion.

6.2 The consignments are charged and paid on the basis of the weights and quantities determined at the unloading point. If there is a mistake in the delivery, Kayser shall be entitled to withhold payment proportionate to the value of the defect or shortfall until the delivery is provided correctly. Drafts, drawings and samples shall only be paid if this has been agreed in writing.

6.3 The supplier shall not be entitled to assign his receivables or to have his receivables collected by a third party unless Kayser gives prior written permission, which may not be unreasonably refused. In the case of an extended reservation of title, approval shall be deemed to have been given. If contrary to sentence 1 the supplier assigns his claims against Kayser to a third party without Kayser's approval, the assignment shall be effective nevertheless but Kayser may pay with discharging effect either the supplier or the third party at its own discretion.

7. Force Majeure

Labour disputes, civil commotion, official measures and other unforeseeable, unpreventable and serious events shall relieve the contracting parties from the obligation to provide service for the duration of the hindrance and to the extent of the effect of this hindrance. If the hindrance lasts longer than 1 month, the parties shall adapt their mutual obligations to the varied circumstances on the basis of good faith.

8. Passing on of Information and Items

8.1 The supplier shall be obliged to treat confidentially any information which is not already public knowledge and which he learns of in the context of receiving orders from Kayser, in particular drawings, templates, models, tools, documents, software as well as other data carriers

provided by Kayser to the supplier, and he shall further be obliged to desist from passing any of the above to third parties unless the provision of the contractual services renders this absolutely necessary. All persons employed by him or his subcontractors to provide the services shall be obligated to maintain secrecy accordingly.

8.2 The supplier may only refer in advertising to his business connection to Kayser if he acquires prior written approval from Kayser to do so.

8.3 Contract items produced in accordance with information, drawings or models from Kayser or with tools paid completely or partially by Kayser may not be offered, given as samples or supplied to third parties unless Kayser gives its express prior written approval for this.

9. Delivery Assurance

9.1 The supplier shall notify Kayser of every intended technical change in the goods approved for delivery. This notification must be given in good time - if possible at least 3 months before the introduction of the alteration. Before delivering altered goods, the supplier must obtain Kayser's prior express written approval, for example in the form of a new release of first-piece samples. In so far as goods are to be produced according to Kayser's specifications, this shall also apply to the change itself.

9.2 The preceding clause 9.1 shall also apply analogously to the change of sources for the procurement of input stock or components and the change of manufacturing plant or essential changes in the production process used by the supplier.

9.3 In so far as the contract items concerned are developed specially for Kayser, in particular where Kayser pays directly or indirectly for the costs of development and/or means of production, the supplier commits himself to supply the contract items to meet Kayser's requirements and to accept orders from Kayser as long as Kayser requires the contract items. The supplier will be informed in good time of the likely delivery volume based on the customer requirements forecasts which Kayser has at its disposal. However, without prejudice to the regulation in no. 2.2, the supplier shall not have the right to demand that Kayser accept deliveries of particular quantities unless this has been expressly agreed.

9.4 To assure spare parts production at Kayser, the supplier shall be prepared to guarantee the delivery of the contract items required for this purpose up to the expiration of 15 years after the cessation of the series production of the Kayser products into which the respective contract items are fitted. If within this period the supplier realises that this will no longer be possible for him, he shall inform Kayser immediately of the end of the possibility of supply and in so far as there are no other possibilities which can be reasonably expected, he shall grant Kayser the opportunity of procuring an all-time requirement.

10. Notification of Defects

10.1 Kayser will inform the supplier immediately in writing of any deficits in the delivery as soon as these are discovered during the regular course of business. In this respect, the supplier shall waive the plea of a late arrival of a customer's complaint.

10.2 With respect to the quality assurance measures to be implemented, the stipulations which may have been made in separate agreements between the parties (e.g. quality assurance agreements, ship-to-stock agreements) must be observed.

11. Guarantee

11.1 The supplier guarantees that the contract items shall be free of defects and conform to the agreed

specifications as well as to the recognised rules of technology.

11.2 On the delivery of a faulty product, Kayser shall be entitled to claim either a new delivery or repairs after previous agreement with the supplier. If as a result of waiting for a new delivery or repairs Kayser incurs increased costs in adhering to its own delivery deadlines, these shall be borne by the supplier.

11.3 If the new delivery is also incorrect or if the repair job is unsuccessful, Kayser shall be entitled after giving a written warning and on the arrival of another incorrect delivery or unsuccessful repairs to cancel the order with immediate effect, also to the extent to which the delivery has not been filled at that point in time.

11.4 Kayser shall be entitled after previous consultation with the supplier to sort and remove, return or scrap faulty contract items at the supplier's expense.

11.5 If the supplier does not immediately comply with Kayser's request for a new delivery or repairs, Kayser may withdraw from the order and return the goods at the supplier's risk and expense.

11.6 In urgent cases and in order to observe its own delivery obligations, Kayser may, after informing the supplier beforehand if possible, carry out repairs itself or have a third party do so or perhaps procure perfect contract goods from a third party.

The costs incurred in this way shall be borne by the supplier.

11.7 If, in spite of observing the regulations in no. 10 of this contract, a defect is not detected until after the contract items have been used in further processing, the supplier shall be obliged to pay all costs connected with the replacement or repair of the defective contract items, in particular testing, transport, road tolls etc. and materials costs. This shall include the costs of a necessary replacement and/or of repair of products into which Kayser has fitted defective contract items and the handling costs and guarantee handling (additional material costs).

11.8 If in the event of a fault running through a series, it is necessary to replace an entire series of contract items or Kayser products into which the contract items have been fitted because a defect analysis is uneconomical, impossible or unreasonable in the individual case, the supplier shall also replace the aforesaid costs with respect to the part of the affected series which does not show any defects.

11.9 In so far as the parties have entered into separate agreements with regard to handling and settling complaints under guarantee, in particular for complaints from Kayser's customers, these shall take priority over the provisions of the preceding terms.

11.10 Unless the contracting parties have expressly agreed otherwise, the guarantee shall end 48 months after the delivery of the parts to Kayser. Claims due to deficits subject to the warranty obligation, including claims to compensation for consequential damage, shall not become statute-barred until 18 months at the earliest after the defect comes to the attention of Kayser, unless a longer period exists under law. The term of limitation shall be interrupted by the customer's complaint.

11.11 Unless otherwise agreed in the preceding, the guarantee shall be based in other respects on the statutory regulations.

12. Liability

12.1 In so far as Kayser or a third party suffers loss because of a delivery of deficient parts or the inadequate provision of a service or another violation of contract duties, the supplier shall provide compensation for the resulting loss in accordance with statutory provisions.

12.2 For measures taken by Kayser or Kayser's customers to avert damage (e.g. recall actions), the supplier shall be liable in so far as he is legally obliged.

12.3 The supplier commits himself to take out production liability insurance for all deliveries and services he provides, whereby this insured sum shall be appropriate to the risks in the automobile industry, i.e. at least the equivalent of € 5.000.000,-- (in words: five million Euro), for material and personal injury including recall costs and to uphold this insurance cover for at least 15 years after the delivery/service. The supplier shall be obliged at Kayser's request to produce an appropriate form of evidence of the type and extent of the insurance cover including the name of the liability insurer.

13. Industrial Property Rights

13.1 The supplier shall be liable for insuring that his delivery does not infringe on third parties' industrial property rights and copyrights. He shall indemnify Kayser and its customers from all claims arising out of the use of such industrial property rights.

13.2 The supplier shall not be liable if he has produced the contract items in accordance with mandatory specifications from Kayser.

13.3 In so far as Kayser has paid some of the costs of developing the contract items, Kayser, without prejudice to any more extensive rights based on a separate agreement with the supplier, shall be granted a non-exclusive gratuitous right not restricted by time or place or purpose to use including sublicense the use of the inventions used in the contract items or the related copyrights. In so far as the supplier's service includes the production of software, the supplier shall provide Kayser on request with the source code including the software documentation.

14. Tools

In so far as the supplier in producing the contract items makes use of tools, appliances, machines or other manufacturing equipment (means of production) for which Kayser has paid some or all of the costs, Kayser shall acquire ownership or co-ownership in proportion to the costs borne by Kayser at the latest on payment of the agreed costs. If the supplier retains the means of production instead of handing them over, it shall be deemed that the supplier is keeping them free of charge for Kayser with the same care he usually takes of his own items. In other respects, any agreements made separately between the parties shall apply (*Kayser Tool Agreements*).

15. General Terms

15.1 If a contracting party stops payments or if bankruptcy proceedings are instituted on his assets, the other party shall be entitled to withdraw from the order to the extent to which the delivery is not yet filled by that date.

15.2 The data necessary to handle the order and to keep accounts will be stored by Kayser in electronic files accordingly.

15.3 In so far as these terms stipulate the written form for communications or agreements between the parties, fax transmissions shall be deemed to suffice as compliance with this requirement.

15.4 If one of these terms should be or become ineffective, this shall not affect the validity of the other terms. The contracting parties shall be obliged to replace the ineffective term by a mutually agreed term which comes as close as possible to it in terms of economic effect.

15.5 Place of performance shall be that of the registered office of Kayser or of the points of receipt named by Kayser.

15.6 The law of the Federal Republic of Germany shall apply exclusively, with the exception of the choice-of-law rules. The application of the uniform law on the conclusion of international purchasing contracts on movables, the uniform law on the international purchase of movables and the United Nations Convention on the International Sale of Goods shall be excluded.

15.7 Place of jurisdiction for all disputes arising in relation to these terms and the deliveries carried out under their scope of application shall be the place of the registered office of Kayser or in the event of suits brought by Kayser any other competent court.



CODE OF CONDUCT

FOR SUPPLIERS AND SERVICE PROVIDERS OF THE KAYSER GROUP

A. KAYSER Automotive Systems GmbH and its subsidiaries are a group of companies (hereinafter referred to as "KAYSER" and "KAYSER Group") which operates in the automotive sector on a global scale. Responsible and lawful conduct is one of our basic prerequisites for our corporate success. We recognize our social and public responsibility and have set ourselves the goal to operate as a social employer all over the world, to ensure the compliance with the numerous legal standards within the KAYSER group and to create a work environment which is characterized by integrity, respect and fair and responsible conduct.

We expect from our suppliers and service providers that they share these values and conducts. Therefore, we summarized our expectations towards suppliers and service providers regarding the working conditions, health, safety, environment and business ethics in this code of conduct for suppliers and service providers. This code of conduct describes the minimum requirements for the fulfillment of our standards. KAYSER reserves the right to cancel business relations with business partners if they do not comply with the standards defined in this code of conduct.

The compliance of our suppliers and service providers with this code of conduct may be monitored in an audit. KAYSER will coordinate the scope, time and location of this audit with the supplier/service provider.

LAW-ABIDANCE AND RESPONSIBILITY / COMPLIANCE AND INTEGRITY

Compliance with all current laws and provisions, especially

- No tolerance towards corruption or bribery and each form of prohibited granting or acceptance of advantages that shall influence decision-making;
- Compliance with all foreign trade laws, tax laws and customs laws;
- Compliance with all current competition and anti-trust laws and provisions;
- Avoidance of conflicts of interests within business relations with KAYSER or third parties;
- Confidential handling of business information, data and documents which are disclosed in the course of cooperation with KAYSER.

SAFETY, HEALTH AND ENVIRONMENTAL PROTECTION

- Compliance with all current laws and provisions on work safety and health protection;
- Compliance with all legal environmental provisions and laws;
- Advancement of safe and environmentally compatible product development and manufacturing as well as their transport, use and disposal;
- Compliance with the REACH provision No. 1907/2006. REACH stands for Registration, Evaluation, Authorization and Restriction of Chemicals. The REACH provision applies for all chemicals. Non-registered substances must neither be traded nor used. The supplier must assess and manage the risks of substances manufactured and traded by him/her in the EU/EEA to comply with the provision;
- Compliance with the OECD principles to fulfill the due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas and the provision (EU) 2017/821 for the determination of duties for the fulfillment of the due diligence within the supply chain for EU importers of cassiterite, columbite-tantalite, wolframite, derivatives of these materials and gold from areas of conflict and high-risk. These provisions shall obligate EU importers of so called „conflict materials“ to due diligence throughout their supply chains;
- Commitment to continuous improvement of work safety and protection of health and environment.

HUMAN RIGHTS AND SOCIAL STANDARDS

- Compliance with current laws and industry-specific provisions regarding the work times;
- Compliance with the current laws and local legal standards, provisions or agreements regarding the payment and social contribution including the provisions on minimum wages;
- No tolerance towards discrimination and verbal or physical harassment of employees; compliance with the principles of equal opportunities and fair treatment;
- Ban on child labor: compliance with the minimum age of employment of 15 years;
- No tolerance towards forced labor;
- Recognition of the employee right to the freedom of association and collective negotiations on the basis of the corresponding national legislation.

This code of conduct is based on the principles of the „United Nations Global Compact“ and the standards of good practice which have been defined in the conventions of the International Labor Organization (ILO), the code of conduct of the Business Social Compliance Initiative (BSCI) and the Guiding Principles of the European Automotive Working Group on Supply Chain Sustainability.

The code of conduct applies globally for all suppliers and service providers of the KAYSER group. With the conclusion of this document in the business relation, the suppliers and service providers commit themselves to responsible conduct and compliance with the outlined principles. We moreover expect that our suppliers and service providers communicate this code of conduct to third parties involved to fulfill the contractual relationship with KAYSER and to ensure that they orientate their conduct towards the principles of this code of conduct and comply with the underlying standards.

1. **Definitions.**
 - a. "Buyer" means Kayser Automotive Systems.
 - b. "Seller" means the addressee named in the Purchase Order.
 - c. "Order" means the Purchase Order, these Terms and Conditions of Purchase, the Specifications, if attached to the Purchase Order, and all documents and papers referenced and described in or attached thereto, including plans and specifications and attached drawings.
 - d. "Supplies" means the material, equipment, articles, services or items covered by this Order.
2. **Statement of Work.** Seller, at its own risk and expense and for the indicated consideration, shall furnish all labor, materials, supplies and equipment, and perform all work necessary to manufacture and/or otherwise provide and deliver to Buyer at the place of delivery specified, the Supplies (including any spare parts, special tools, plans, drawings, technical manuals, technical services, and other data specified in or required with this Order) in strict accordance with the Specifications and all other plans, drawings and requirements hereof, and will assume all responsibility and do all things required of Seller by this Order. This Order shall not be deemed to have been completed until the Supplies have been received, inspected and finally approved by Buyer. Seller shall be responsible for carefully and critically reviewing this Order immediately upon receipt. In any case of error, omission, discrepancy or lack of clarity in this Order, Seller shall immediately notify Buyer. Any work performed, prior to correction or clarification of such error, omission, discrepancy or lack of clarity, shall be at Seller's own risk. No approval of plans, acceptance, payment, passage of title or other act shall relieve Seller of its responsibility to furnish the Supplies in strict accordance with the specifications and with the provisions of this Order and no waiver by Buyer of any breach on the part of Seller of any of its obligations, and no payment made hereunder shall be deemed to constitute an acceptance or approval of any defective or unsatisfactory Supplies or workmanship, or a waiver of the rights to Buyer to reject the same later.
3. **Material and Workmanship.** Seller warrants and guarantees to, and agrees with, Buyer, Buyer's customer, and if other than Buyer's customer, the user or consumer of the Supplies, as follows: (a) Seller warrants, guarantees, and agrees that all Supplies have been or will be manufactured, fabricated, produced, and assembled in a good and workmanlike manner, and that only new and unused material and equipment will be included therein; (b) if a purpose for the Supplies is specified on the Purchase Order, Seller warrants, guarantees, and agrees that the Supplies will be fit for such purpose, and if no purpose for the Supplies is specified on the Purchase Order, Seller warrants, guarantees, and agrees that the Supplies are fit for the ordinary purposes for which the Supplies are used; (c) Seller warrants, guarantees, and agrees that the Supplies (and each unit or units therein) will conform to and meet the Specifications; (d) Seller warrants, guarantees, and agrees that the Supplies will be free from defects in workmanship and materials; and (e) Seller warrants, guarantees, and agrees that the Supplies are adequately contained, packaged, and labeled and conform to any promises or affirmations made on the container or label. Payment for, inspection or testing of, or receipt of the Supplies shall not constitute a waiver of any breach of warranty, guarantee, or agreement. Unless otherwise provided in this Order, it is specifically agreed and understood that the warranties, guarantees, and agreements of Seller set forth in this Article 3 shall expire 48 month. In the event that the Supplies, or any part thereof, fail to meet above stated warranties and guarantees, Seller will, at Buyer's option, and at Seller's sole cost and expense, either repair or replace same or the applicable parts or components thereof. In the event that the making of such repairs or replacements requires the removal of materials and equipment and/or the uncovering, reinstallation, and/or recovering of any work in place, the same shall be done at Seller's sole cost and expense. In the event that the Seller requests Buyer to return the Supplies (or any parts or components thereof) to Seller, Buyer will do so in conformance with Seller's instructions and at Seller's sole cost and expense. The foregoing remedies are cumulative and are in addition to any other remedies available to Buyer at law, in equity or under this Order.
4. **Acceptance.** No modification of this Order shall be effective nor shall different terms be imposed by the printed terms and conditions of any acknowledgment or other form submitted by Seller unless agreed to in writing by an authorized representative of Buyer specifically stating that such modification or different term is an amendment to this Order. Acknowledgment of this Order by Seller or shipment by Seller or any part of the Supplies constitutes acceptance of all terms and conditions of this Order.
5. **Order of Precedence.** Except as otherwise expressly provided, to the extent of any inconsistency between these terms and other provisions of this Order, these terms shall control. If any discrepancy, difference or conflict exists in this Order, such discrepancy, difference or conflict shall be immediately brought to the attention of Buyer and pending Buyer's decision, Seller shall not proceed except at Seller's own risk.
6. **Changes.** Buyer may at any time by written order only make changes in this Order. If such changes cause an increase or decrease in price or time required for performance, Seller shall notify Buyer promptly. Any claim by Seller for a price increase, delivery date extension, or other adjustment must be asserted in writing within 15 days from the date of Seller's receipt of Buyer's change order or the claim will not be allowed. Seller shall commence and perform the change promptly without waiting for agreement on any adjustments in price or schedule or otherwise caused thereby.
7. **Price.** Seller's price includes all charges and taxes applicable to the Supplies or this transaction. Seller warrants and represents that the prices specified in this Order do not exceed the current selling price for the same or substantially similar Supplies taking into account the quantity involved in this Order.
8. **Payments and Documents.** Payment shall be made by Buyer to Seller as stated elsewhere in this Order. Seller shall promptly furnish for Buyer's account such payment and/or performance bond or other security as Buyer may require from time to time to protect the interest of Buyer. Unless otherwise expressly agreed in writing, Seller shall be responsible for obtaining and paying for any and all export and import licenses or permits necessary of performance of this Order. It is agreed that in addition to, and not in limitation of, any generality in this Order, that the price includes any and all applicable tariff(s) or duties imposed upon the Supplies by any government. Invoices for payment shall be supported by such documents in such form as Buyer may reasonably request and shall bear such certifications as may be required by law, governmental regulations or the Order. Except as otherwise expressly provided in the Order, all payments are contingent on final acceptance of the Supplies by Buyer. Drafts on Buyer will not be honored by Buyer unless otherwise agreed by Buyer in writing. If required by Buyer prior to final payment under the Order, Seller will furnish to Buyer a release discharging Buyer from any liabilities, obligations, and claims arising under the Order. Seller shall issue separate invoices for each shipment against the Order, and each such invoice shall show the amount of Supplies shipped. Buyer's Order number and part number shall appear on all invoices, packages, crates, boxes, bills of lading, express receipts, correspondence and other instruments issued in connection with the Order. Bills of Lading and a notice of shipment shall be air-mailed to Buyer on the data a shipment goes forward, which shall state the Order number, the kind of Supplies shipped, part numbers, Seller's name, shipper, and shipping route. Chemical and physical reports (if required), shall be air-mailed to Buyer by Seller not later than the day after a shipment goes forward, or, in the case of services, on the day after completion. Buyer's count will be conclusive on all shipments not accompanied by a packing list. Invoices shall be air-mailed to the Buyer within ten (10) days after shipment goes forward.

9. **Termination for Convenience.** Buyer may at any time terminate this Order, in whole or in part, for the convenience of Buyer by delivery of a written notice thereof to Seller. Seller shall thereupon stop work in accordance with the notice, dispose of all Supplies in accordance with Buyer's written instructions and give Buyer a settlement proposal including Seller's reasonable costs and reasonable profits on the work terminated. This provision does not apply when Buyer is rejecting the Supplies, revoking acceptance or asserting its legal rights for breach order fault.
10. **Time of Essence.** Time is of the essence in the performance of this Order.
11. **Termination for Default.**
- a. Buyer may, by written notice of default to Seller, terminate the whole or any part of this Order in any one of the following circumstances:
 - (1) if Seller fails to make delivery of the Supplies within the time specified as delivery date or any written extension thereof; or
 - (2) if Seller fails to perform any other provisions of this Order, or so fails to make progress as to endanger performance of this Order in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or longer as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure.
 - b. In the event the Buyer terminates this Order in whole or in part as provided in this Article 11, Buyer may procure the Supplies from another source upon such terms and in such manner as Buyer may deem appropriate, and Seller shall be liable to Buyer for any excess costs, provided, that Seller shall continue the performance of this Order to the extent not terminated.
 - c. If this Order is terminated as provided in this Article 11, Buyer, in addition to any other rights provided herein or at law or in equity, may require Seller to transfer title and deliver to Buyer in the manner and to the extent directed by Buyer (1) any completed Supplies, and (2) such partially completed Supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawing information and contract rights as Seller has specifically produced or specifically acquired for the performance of such part of this Order as has been terminated, and the Seller shall upon direction of Buyer, protect and preserve property in possession of the Seller in which Buyer has an interest. Payment for completed Supplies delivered to and accepted by Buyer shall be at the applicable contract price.
 - d. After notice of termination of this Order under the provisions of this Article, if it is determined for any reason that Seller was not in default under the provisions of this Article, or that the default was excusable under the provisions of this Article, the rights and obligations of the parties shall be determined as if the notice of termination had been issued pursuant to this Article 9.
 - e. Buyer may terminate this Order for default at any time upon written notice to Seller if a petition is filed by or against Seller under the bankruptcy laws applicable to Seller or makes a general assignment for the benefit of his creditors or a receiver is appointed for any property of the Seller.
12. **Rights With Respect to Engineering Data.** All design/engineering data furnished to Seller by Buyer shall be the sole property of Buyer. All plans, including working plans (including reproducible) and other specified design/engineering data, produced by the Seller in the performance of this Order, shall be the sole property of Buyer and Buyer shall have the full right to use same in such manner as they may deem proper, including without limitation to the generality of the foregoing, the right to make reproducible and copies, and right to publish, or to withhold from publication, and the right to alter therein, additions thereto, or other changes. Seller shall be permitted to retain copies or duplicates of such plans, working plans and data thereof for its own office records. Seller shall have no right to sell or transfer such plans, working plans and data to any other person.
13. **Inspection.**
- a. All material and workmanship (except as otherwise provided in the specifications) shall be subject to inspection by representatives of Buyer at any proper time during manufacture and during the performance of the contract work at any and all places where such manufacture and performance of contract work are carried on, and Seller shall be required to insert these requirements in any supply contract or subcontract let with respect to this contract.
 - b. When Buyer has reserved the right to approve Seller's plans prior to manufacture and until working plans covering the contract work have been approved by Buyer, commencement of such contract work shall be at Seller's own risk.
 - c. All workmanship and material which Buyer may reject shall be satisfactorily corrected with proper workmanship and/or material to conform to the requirements of the specifications and of this Order. If such defective workmanship or material cannot be satisfactorily corrected as determined by the Buyer, such defective workmanship or material shall be replaced. The cost of such correction or replacement shall be for the sole account of the Seller. Seller shall promptly segregate and remove such rejected material. The acceptance of such workmanship and materials shall not prejudice the rights of Buyer under Article 19 hereof, nor relieve Seller of any obligations under this Order. Defects appearing in any stage of the work shall be cause for rejection even though the item in question may have previously been passed as satisfactory.
 - d. Seller shall provide and maintain a quality control and inspection system acceptable to Buyer covering the Supplies hereunder. Inspection and test requirements of this Order shall be for the convenience of Buyer and shall not relieve Seller of Seller's responsibility to provide a quality product which meets all applicable specifications and requirements of this Order.
 - e. If any inspection or test is made on the premises of Seller or a subcontractor, Seller, without additional charge, shall provide all reasonable facilities and assurance for safety and convenience.
 - f. All inspections and tests shall be performed in such a manner as not to unduly delay the work. Buyer reserves the right to charge to Seller any additional cost of inspection and testing when Supplies are not ready at the time such inspection and test is scheduled to take place or when reinspection or retesting is necessitated by prior rejection. Failure to inspect and accept or reject Supplies shall neither relieve Seller from responsibility for such Supplies as are not in accordance with the Order requirements nor impose liability on Buyer therefor.
 - g. Records of all inspection work by Seller shall be kept complete and available to Buyer during the performance of this Order and such longer period as may be specified elsewhere in this Order.
 - h. Buyer may inspect the Supplies ordered and all Supplies therefor at all times and places including Seller's and its Seller's facilities and Seller shall furnish necessary gages, equipment, facilities and assistance therefor at no added costs.

14. **Confidentiality and Use of Information.** Seller shall not, at any time, before or after the completion, cancellation or termination of the Order, divulge to anyone other than Buyer's officers (or such other persons as such officers may designate), or, except in the performance of the Order, make any use of (without the Buyer's prior written consent) any designs, drawings, patterns, plans, specifications, data, and other information, and knowledge derived therefrom, relating to (1) their performance of the Order, (2) Buyer's business, or (3) any other business or technical information related to the Order, whether or not furnished by Buyer, which is either confidential in nature or is not intended to be disclosed to others, which Seller shall have obtained before the completion, cancellation, or termination, of the Order and which is not generally of public knowledge. Advertising or publicity releases of any kind of information relating to the manufacture of the Supplies or the performance of the Order are not permitted unless prior authorization for such releases has been obtained in writing from Buyer. Any knowledge or information concerning Seller's products, methods, or manufacturing processes which Seller may disclose to Buyer incident to the performance of the work under the Order shall not, unless otherwise specifically agreed upon by Buyer in writing, be deemed to be confidential or proprietary information, and accordingly, shall be acquired free from any restrictions and shall be deemed to have been disclosed as a part of the consideration for the Order, and Seller agrees not to assert any claim (other than a justified claim for patent infringement) against Buyer by reason of Buyer's use or alleged use thereof.
15. **Patent Infringement.** Seller shall be responsible for any liability with respect to any and all claims against Buyer for infringement of patents or of patent rights involving the Supplies and Seller shall defend and save harmless and indemnify Buyer against all such claims and costs, expenses, charges and damages which Buyer may be obligated to pay by reason thereof, including expenses of litigation, if any, provided that upon any such claim being made Buyer shall be notified promptly of such claim and also of any suit in connection therewith and shall be given an opportunity to defend the same and provided further that Seller shall make payment on account of any such claims unless either with the consent of Buyer or pursuant to the degree of a proper court or tribunal.
16. **Delivery Date.**
- Seller shall deliver the Supplies covered by this Order no later than the date or dates specified in the Order as "Delivery Date". Unless otherwise expressly provided, the delivery date as shown on the face of the Order shall be construed as date of arrival at the destination specified in this Order. Seller shall commence and prosecute the contract work, including furnishing of drawings, with due diligence and dispatch and make deliveries as specified.
 - If Seller encounters or anticipates difficulty in meeting the Order delivery schedule, Seller shall immediately notify Buyer in writing giving pertinent details; provided, however, that this data shall be informational only in character and shall not be construed as a waiver by Buyer of any delivery schedule or date of any rights or remedies provided by law or by this Order.
 - If Seller fails to meet the delivery schedule required by this Order with the result that Buyer elects to call upon the Seller for expedited shipments, without diminution of Buyer's other remedies at law and under this Order, Seller shall pay the difference between the method of shipping specified in the Order and premium transportation rates. Supplies fabricated or performed beyond Buyer's written releases shall be at Seller's risk. Buyer reserves the right, without loss of discount privileges, to pay invoices covering supplies shipped in advance of the schedule on the normal maturity after the date specified for delivery.
 - If any delivery is made which is not in all respects in accordance with the provisions of this Order (including time of delivery), Buyer reserves the right to reject such delivery and, in addition, if Buyer so elects, Buyer may treat this Order as repudiated by Seller and cancel any outstanding deliveries hereunder, without prejudice to Buyer's rights to claim damages or to enforce any other remedy provided by law. All expenses and storage, if any, resulting therefrom shall be for Seller's account.
17. **Point of Delivery – Risk of Loss.** Point of delivery shall be as stated elsewhere in the Order. Notwithstanding any other provision to the contrary Seller shall bear the risk of loss until the Supplies have been delivered to such destination as may be specified elsewhere in this Order.
18. **Extension of Time for Completion of Work.**
- If Seller shall have transmitted written notice to Buyer of a cause of delay, which delays the performance of the contract work, and this notice shall have been transmitted within seven (7) days after the date that Seller had knowledge of the delay, or within seven (7) days after it is determined that Seller should have had knowledge of the delay, whichever is the earlier date, and Seller reasonably demonstrates that the cause of delay is beyond the reasonable control of the Seller as provided in subparagraph (b) below, Seller shall be entitled to an extension of the contract delivery date or dates set out in this Order. Such extension shall be for the number of days that the contract due date or dates were delayed by said cause of delay, except as otherwise provided in subparagraph (c) below.
 - A cause of delay beyond the control of Seller shall include, without prejudice to the generality hereof, a delay caused by the government, by war, by preparation of war, by acts of God (other than ordinary storms or inclement weather conditions), by earthquakes, hurricanes, lighting, floods, or landslides; by strikes or other industrial disturbances, provided that the Seller has not, by its unilateral acts, purposely prolonged any such event; by such explosions, fires, and vandalism as are the result of causes reasonably beyond the Seller's control; by riots, by insurrections, by sabotage, by blockades, by embargoes, or by epidemic; by similar causes relating to a subcontractor, at any tier, when such cause is beyond the control of both the Seller and all involved subcontractors, and where it is determined that the Seller's contracting for the machinery, equipment and supplies to be delivered by the subcontractor was expeditious and prudent, that the Seller has exercised due diligence in the performance of any acts required of the Seller and that the Seller has exercised due diligence in expediting deliveries under the Seller's purchase contract or in seeking equivalent substitute performance, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Seller to meet the required delivery schedule; or by later performance or default of a subcontractor where it is determined that the Seller's choice of the subcontractor was reasonable and prudent and the Seller has exerted all reasonable efforts to expedite performance, avoid default or procure equivalent substitute performance.
 - Seller shall not be entitled to any extension of the contract due date or dates (i) for any delay resulting from a cause of delay in existence as of the execution of this Order (other than a cause of delay determined to be industry-wide), or (ii) for any delay resulting from the late performance or default of a subcontractor if such delay results from the continuation of a cause of delay in effect as of the date of the award of the subcontract where the Seller had notice of such subcontractor's cause of delay determined to be industry-wide), or (iii) where the documentation submitted is insufficient to obtain approval of due date extension.

- d. Within seven (7) days (or such longer period as may be allowed by Buyer, after a cause of delay has ceased to exist, Seller shall furnish to the Buyer a written statement of the actual or estimated delay in the completion of the contract work resulting from such cause together with a statement as to the cause of such delay and detailed documentation justifying such extension. On the basis of the statements and information furnished to Buyer by Seller relative to delay in delivery. Buyer and Seller shall agree upon the number of days the contract due date or dates shall be extended.
 - e. No extension of the contract due date or dates shall be granted under this Article 18 unless Seller shall have first submitted detailed documentation justifying such extension satisfactory to Buyer. Any extension of time granted to Seller pursuant hereto shall be Seller's sole and exclusive remedy for any claim resulting from such delay.
 - f. Seller will not be entitled to any time extension for any delay which causes Buyer to miss its delivery date(s) under Buyer's contract with its customer unless Buyer shall be entitled to and obtain an extension of time under the Prime contract based on Seller's delay.
19. **Liens and Title.** Title to the Supplies, free and clear of any and all liens and encumbrances, shall pass to Buyer from the Seller at the delivery point specified by this Order, or at such other points as may hereafter be specified by the Buyer. Passage of title to the Supplies (or any part thereof) shall not in any way relieve Seller of its obligations under this Order, nor be treated as a waiver by Buyer of the right later to reject any part of the Supplies which fail to meet any requirements. Seller shall assume and pay for any loss or damage to the Supplies until delivery at the delivery point specified by the Order, or until title otherwise passes from Seller to Buyer, whichever occurs later. If any lien or encumbrance is asserted against the Supplies or any part thereof, Buyer shall have the right to discharge the same, by (1) filing a bond or other security or (2) in its discretion, paying full amount thereof. If Buyer should so discharge any such lien or encumbrance, Seller shall bear the cost, if Buyer has not yet paid the Order price, Buyer may deduct the amount of such cost from any amounts payable to Seller; if Buyer has paid all amounts due to Seller, than Seller shall promptly pay the Buyer the amount of such cost.
20. **Spare Parts.** In order to secure a supply of spare parts for Buyer, Seller hereby guarantees the production of the Supplies for fifteen (15) years after the completion of delivery of all of the Supplies under this Order. Seller shall immediately notify Buyer in writing in the event Seller is not able to guarantee the supply of spare parts for 15 years.
21. **Notices.** Notices given under this Order will be effective upon receipt of notice.
22. **Non-Waiver of Remedies.**
- a. The remedies of Buyer provided under this Order are cumulative and in addition to those provided by law or in equity, and may be exercised separately, concurrently or successively until full performance by Seller. Without limiting the foregoing, Buyer shall be entitled to specific performance of this Order in any case where Buyer in its discretion deems such relief to be necessary.
 - b. Notwithstanding any inspection or failure to reject by Buyer, if at any time within guarantee period or period for rejection as stated herein there shall appear or be discovered any weakness, any deficiency, any failure, any breaking down or deterioration in Supplies furnished by Seller, or failure to function as prescribed by the plans and specifications and all requirements of this Order, Buyer may, at its option, and without electing or limiting its remedies hereunder, repair or attempt to repair such Supplies and charge Seller for all expenses of Buyer attributable to such repair effort and delays attendant thereto.
23. **Time for Rejection.** Buyer may reject at any time Supplies which do not conform to this Order.
24. **Delays.** In the event that Seller is delayed in performance of this Order, Seller shall give prompt written notice of such delay together with an estimate of this duration to Buyer. No such notice of delay shall excuse the timely performance of this Order except as elsewhere provided in this Order.
25. **Indemnity.** SELLER AGREES TO PAY, DISCHARGE AND HOLD HARMLESS, DEFEND AND INDEMNIFY BUYER AND ITS AFFILIATES FROM ALL LIENS, CLAIMS, DAMAGES, SUITS (INCLUDING LEGAL FEES AND OTHER EXPENSES INCIDENT THERETO), JUDGMENTS, AWARDS AND LIABILITY, WHETHER GROUNDLESS OR NOT, THAT ARISE OUT OF OR RELATE TO THIS ORDER OR THE SUPPLIES (COLLECTIVELY, "CLAIMS"), INCLUDING, BUT NOT LIMITED TO, CLAIMS: (a) BY SUBCONTRACTORS, MATERIALMEN, SUPPLIERS, LABORERS AND OTHERS RELATING TO THE PAYMENT FOR ANY MATERIALS OR SERVICES PROVIDED PURSUANT TO THIS ORDER, OR ANY PORTION OR COMPONENT THEREOF; (b) BY AN INDIVIDUAL OR ENTITY ON ACCOUNT OF ANY DAMAGE TO PROPERTY OR INJURY (INCLUDING DEATH) TO PERSONS (INCLUDING ANY DAMAGE OR INJURY TO THE PROPERTY OR PERSON OF ANY EMPLOYEE OF SELLER OR BUYER); OR (c) FOR BREACH OF ANY REPRESENTATION, WARRANTY, COVENANT OR OBLIGATION OF SELLER HEREUNDER. An "Affiliate" means any entity owned, in whole or in part, by MAN AG or which is under its direct or indirect control.
26. **Law and Forum.** This Order shall be interpreted in accordance with the laws of the State of Texas. In the event of any dispute or controversy relating to or arising under this Order, including any challenges to the validity hereof, the parties hereto mutually consent to the exclusive jurisdiction of the federal and state courts located in Houston, Texas. In the event any of the provisions of this Order or the application of any such provisions to the parties hereto with respect to their obligations, shall be held by a court of competent jurisdiction to be contrary to the laws of Texas, the remaining provisions of this Order shall remain in force and effect. **TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, BUYER AND SELLER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY THAT BUYER OR SELLER MAY HAVE IN ANY ACTION OR PROCEEDING, IN LAW OR IN EQUITY, IN CONNECTION WITH THIS ASSIGNMENT. BUYER AND SELLER EACH REPRESENT AND WARRANT THAT NEITHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WILL NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THIS RIGHT TO JURY TRIAL WAIVER. EACH PARTY ACKNOWLEDGES THAT THE OTHER PARTY HAS BEEN INDUCED TO ENTER INTO THIS ORDER BY, AMONG OTHER THINGS, THE PROVISIONS OF THIS WAIVER.**
27. **Backcharges.** In the event of items or services furnished by Seller under this Order are found to be defective as to workmanship or materials or not to be in conformance with plans or specifications, it remains the responsibility of Seller to promptly correct any deficiency when so directed. Buyer will take reasonable measures to discover such noncompliance as quickly as practical; however, failure to do so shall in no way relieve Seller of its responsibility during the term of this Order, and/or the guarantee period as stated elsewhere in the order, to promptly make such modifications as required so as to minimize delay and/or damage to other work. If upon being notified by Buyer of deficient work or materials, and having been directed to correct the deficient work or materials by a specific date consistent with the current Project Schedule, Seller states or by its actions indicates its inability or unwillingness to comply, then Buyer shall proceed to accomplish the work by the most expeditious means available to it and to backcharge Seller for the cost of the required work.

28. **Expediting.** The work furnished under this Order, including all warranty work, shall be subject to expediting by Buyer. Buyer's representatives shall be afforded free access during working hours to Seller's plants, and Seller agrees to procure a similar right for Buyer, for expediting purposes with respect to Seller's subcontractors and subsellers. As required by Buyer, Seller shall supply schedules, progress reports and unpriced copies of Seller's purchase orders and subcontract for Buyer's use in expediting. Seller shall notify Buyer in writing of any actual or anticipated delays immediately upon discovery. Such notice shall include an estimated period of delay, cause, and corrective actions being taken. Slippage in Seller's schedule may be deemed to be reasonable grounds for insecurity in which event Buyer may demand in writing that Seller provide adequate assurances that Seller will perform on time.
29. **Copyrights.** Seller agrees to grant Buyer and to its customers a royalty-free right to reproduce, use and disclose any and all copyrighted or copyrightable matter required to be delivered by Seller to Buyer under this Order.
30. **Compliance With Laws.** Seller shall comply with all applicable laws, rules and regulations. Seller represents that it has complied with and will continue to comply during the performance of this Order with all export laws and regulations, directives and other applicable administrative actions issued thereunder, including but not limited to the International Traffic in Arms Regulations (22 C.F.R. Parts 121 - 130) and the Export Administration Regulations (22 C.F.R. 2751-2794), and any other standards issued pursuant thereto.
31. **Insurance.** Seller shall not insure the Supplies for Buyer's account unless the terms of this Order or separately written instructions from the Buyer require Seller so to insure. Seller will maintain in effect the following types and amounts of insurance with insurance companies satisfactory to Buyer: (1) workers compensation with employer's liability with limits of not less than \$500,000 for each accident; (2) commercial general liability insurance, including contractual liability insuring the indemnity obligations set forth in this Order and products-completed operations coverage with limits of not less than \$1,000,000 for property damage, bodily injury, sickness or death, in any one occurrence, (3) automobile liability insurance with limits of not less than \$500,000 applicable to property damage, bodily injury, sickness or death in any one occurrence and (4) product liability insurance, including the cost of recalls, with coverage of at least \$10,000,000 (ten million dollars), for at least fifteen (15) years after completion of the delivery of the Supplies. Each insurance policy maintained by Seller pursuant to this Order shall be endorsed to (1) name Buyer and its Affiliates as additional insureds (except with respect to Workers Compensation), and (2) provide that Seller's underwriters and insurance companies will not have any right of subrogation against Buyer, and its Affiliates, owners, underwriters, and insurance companies. At the request of Buyer, Seller will provide Buyer with a certificate of insurance evidencing the required coverage. Seller shall notify Buyer in writing at least thirty (30) days prior to the cancellation of or any change in the above insurance coverage. The insurance shall not affect or limit Seller's liability to Buyer on this Order or under law.
32. **Packing.** All items shall be packed to meet the carrier's requirements and to assure lowest transportation rates consistent with adequate protection against loss or damage.
33. **Assignment/Subcontracting.** Seller may not assign or subcontract this Order or any portion thereof without prior written consent from the Buyer. Any attempted, unpermitted assignment shall be void from the date of attempted assignment.
34. **Safety and Health.** The supplies shall conform to all laws and regulations applicable to Buyer and to the Supplies at date of delivery.
35. **Independent Contractor.** Seller is an independent contractor and not an agent or employee of, or partner or joint venturer with, Buyer. Seller bears all of the rights, obligations, and liabilities applicable to it as an independent contractor and employer of its personnel in accordance with all laws, including exclusive liability for payroll taxes, workers' compensation, and contributions for unemployment insurance, old age pensions, or annuities. If Buyer pays any of said taxes or contributions, Seller shall promptly reimburse Buyer for same. Subject to the requirements set forth in this Agreement, the provision and performance of all Supplies shall be under the exclusive control and direction of Seller.

General Terms and Conditions of Business and Delivery

1. Scope and Close of Contract

1.1. The following Terms and Conditions shall be applicable to all deliveries and services executed by us on the basis of an order placed by an entrepreneur. Entrepreneur within the meaning of these Terms and Conditions of Delivery shall be deemed to be any natural and legal entity, acting at the time of conclusion of a legal transaction in a corporate capacity or in a capacity as self-employed professional (entrepreneur). Any deviation from the Terms and Conditions set forth hereinafter shall solely be acknowledged, if such have been confirmed by us in writing. Otherwise, at the latest upon acceptance of our deliveries without reservation, our Terms and Conditions of Delivery shall be deemed as having been acknowledged. Acknowledgement by the contractor by making reference to deviating conditions is herewith contradicted.

1.2. All agreements, reached between us and the purchaser as regards performance of a contract, have to be in the written form. An order shall only then be deemed as accepted, if confirmed in writing. The same shall apply to subsequent amendment of an order. Subsidiary agreements shall solely be valid, if confirmed in the written form.

1.3. Our quotations shall be subject to confirmation, quotations shall be non-binding. Documents, illustrations, drawings, weights and measures pertaining to the quotation shall only be approximate specifications, if not expressly identified as binding.

1.4. We shall reserve unrestricted ownership and copyright exploitation rights to all quotations, illustrations and other documentation; such data may solely be disclosed to third parties after our express prior consent. If we are not awarded the order, illustrations and other documentation pertaining to quotations have to be returned to us upon request without delay. The same shall apply to the purchaser's documentation. However, such documentation may be disclosed to third parties, whom we are permitted to commission with supplying goods and services.

1.5. In the event of call-off orders, we shall be entitled to procure the materials for the entire order and to manufacture the total quantity ordered immediately. Any possible amendment requests by the purchaser can thus no longer be taken into account after awarding of order; unless if this has been expressly agreed.

2. Prices

2.1. If nothing to the contrary has been expressly agreed, our prices shall be applicable ex works as specified in the respectively valid price list or in our quotation and shall not include freight, packaging, postage, insurance and other consignment costs, Prices do not include VAT. In addition to the price, the respectively prevailing VAT on the date of delivery shall be due and payable. If nothing to the contrary has been expressly agreed, prices specified in our quotations shall only relate to the quantities specified in the quotation and solely for the periods as specified in the quotation.

2.2. Packaging shall be charged at cost price. Additional costs for urgent and express goods as well as fees for bulk goods shall be borne by the purchaser.

2.3. Additional costs incurred due to subsequent amendment of order shall be charged to the ordering party.

3. Payment

3.1. Payment shall be made without deduction within 30 calendar days of date of invoice.

3.2. Bills of exchange shall solely be accepted as means of payment without granting discount after specific agreement. Discounts and charges shall be borne by the purchaser. Such payments shall be made by the purchaser immediately after invoice has been issued. In the event of accepting bills of exchange, we shall not be liable for punctual presentation, protest, notification and reversing of bill, if we or our vicarious agents are not to blame for intent or gross negligence.

3.3. Pre-payment can be demanded in the event of special custom-made products or provision of unusual products or in the case of advance performance.

3.4. The purchaser shall solely be entitled to set-off against an undisputed claim or claim established by declaratory judgement. A purchaser, who is deemed to be an entrepreneur within the meaning the "HGB" / German Commercial Code, shall not be entitled to retention or set-off rights. However, rights pursuant to § 320 "BGB" / Federal Civil Code shall remain upright, if and insofar as we have not complied with our warranty obligations.

3.5. All cash or non-cash payments on claims may only be made in EURO.

4. Delayed Payment

4.1. If settlement a pecuniary claim should be endangered due to deterioration in the financial circumstances of the purchaser or disclosure thereof after conclusion of contract, we shall be entitled to demand advance payment and immediate payment of all outstanding invoices, also such invoices not yet due for payment, retain goods not yet delivered as well as suspend further processing of orders in process. We shall also be entitled to these rights, if, despite justified default reminder, the purchaser should not make payment.

4.2. In the event of delayed payment, default interest amounting to 8 percentage points above the base interest rates in terms of § 247 "BGB" shall be due and payable. Asserting further going claims for damages caused by delay shall not be precluded thereby.

5. Delivery and Acceptance

5.1. Solely the written confirmation of order shall be authoritative as regards content and scope of supply or services.

5.2. Delivery dates shall solely be binding if expressly confirmed by us. Otherwise, specifications with regard to terms or dates of delivery shall be interpreted as indication. However, terms of delivery shall not commence before the purchaser has provided the required documentation, permits, clearances as well as receipt of an agreed quantity. Delivery dates confirmed by us shall be complied with as far as possible. Delayed delivery shall not constitute any claim on contractual penalties.

5.3. We shall be entitled to made part-deliveries. If dispatch should be delayed for reasons not attributable to us, we shall be entitled to store such goods, as we may deem fit, for account of and at risk of the purchaser.

5.4. If we should fall into delay with our performances, we shall be granted an adequate additional period of grace. An additional period of grace shall only not be set in the event that special circumstances should be prevalent, which justify immediate recession of the contract, after taking into account mutual interests. Otherwise, the purchaser shall only be entitled to rescind the contract after futile expiry of the additional period of grace. Remedy of damages due to delay can only be demanded to the sum of order (own input exclusive of materials for advance performance); unless if damages have transpired due to circumstances, which we or our vicarious agents have caused as a result of intent or gross negligence. If delayed delivers should not be based on intentional contractual violation attributable to us or our vicarious agents, our liability to compensate for damages shall be limited to typically occurring damages. Any claim on delivery shall be precluded in cases described under this clause.

5.5. Operational disruptions – both in our factory as well as in that of a sub-supplier -, in particular strike, lock-out, war, unrest and all other cases of force majeure, shall not constitute reasons for termination of contractual relations. The principles as regards frustration of contract shall remain unaffected.

5.6. Deliveries shall be carried out ex works at the risk and costs of the purchaser. If nothing to the contrary has been agreed, we shall select the route and nature of dispatch. We shall solely be liable for fault in execution or dispatch in the event of intent or gross negligence.

5.7. In the event that a purchaser obliged to collect – or purchasers of call-off orders – should not collect goods, although the delivery date has expired and it has been notified that the goods have been put on readiness, we shall be entitled to store such goods at the costs and risk of the purchaser or to demand payment of costs, in the event that we should store such goods in our own warehouse. In the event that delay in ac-

ceptance should exceed 2 weeks, we shall be entitled to rescind the contract and demand compensation for damages, if the purchaser should not prove that non-acceptance is not due to reasons attributable to it. If delayed acceptance should not be attributable to the purchaser, we shall be entitled to rescind the contract, but the purchaser shall have no claim on compensation for damages.

5.8. We shall not be obliged to take back faultless goods. If we should nevertheless be prepared to take back faultless goods, we shall be entitled to raise additional costs for testing, accounting and suchlike based on input. Custom-made pre-cut parts shall be – save for the regulation agreed upon in clause 7 – excluded from return. In the event of return of faultless goods, the purchaser shall bear the risk of coincidental destruction or coincidental deterioration of delivered goods.

5.9. Goods delivered by us shall possess the major characteristics specified in the confirmation of order or shall comply with the inserted technical specifications.

5.10. Irrespective of the rights arising from the covenants under clause 7, goods delivered have to be taken into receipt by the purchaser, even if such goods should reflect major defects.

6. Retention of Title

6.1. We shall reserve title to goods delivered until full and final payment of the purchase price. We shall reserve title to goods, which the purchaser should obtain from us within the framework of commercial activities until the totality of our claims against the purchaser arising from and in connection with business relations, including claims arising in future, have been settled; also from concurrent orders placed or contracts concluded later. This shall also then apply, if individual or the totality of our claims should have been included in an open account and the balance has been struck and acknowledged.

6.2. In the event of violation against cardinal contractual obligations, in particular in the event of delayed payment, we shall be entitled to seize the goods after admonition and the purchaser shall be obliged to surrender. Taking back or attachment of goods by us shall only then constitute rescission of the contract – if the laws on consumer credit agreements should not be applicable – once we expressly declare so in writing. In the event of attachment or other third party intervention, the purchaser shall notify us in writing by forwarding a bailiff's return as well as an affirmation in lieu of an oath as regards the identity of attached objects.

6.3. The purchaser shall be entitled to sell the goods within the normal course of business under the condition that any receivables arising from or in connection with resale shall be assigned to us as follows:

The purchaser already here and now assigns all receivables and ancillary rights to us, which should accrue in its favour from resale to any buyer or against any third party, and in fact irrespective of whether such goods under retention of title are resold without or after further processing. The purchaser shall also be entitled to collect receivables after assignment. Our entitlement to collect receivables ourselves shall remain unaffected thereby, however we undertake not to collect receivables as long as the purchaser duly and properly complies with its payment obligations. We shall be entitled to demand that the purchaser discloses the assigned receivables and the debtors thereof to us, supply all information necessary for collection, hand over the corresponding documentation and that the purchaser discloses the assignment to such debtors. If any goods should be resold together with other goods not belonging to us, our receivables against the buyer shall be deemed as assigned to the sum of the delivery price agreed between us and the purchaser.

6.4. To us as manufacturer, reworking and processing of goods under retention of title shall be performed within the meaning of § 950 "BGB"; without us committing ourselves. Processed goods shall be deemed to be goods under retention of title in terms of these Terms and Conditions. If goods under retention of title should be reworked or inextricably amalgamated with objects not belonging to us, we shall acquire co-ownership to the new object at the ratio of invoiced value of our goods under retention in proportion to the invoice value of other goods used at the time of processing or amalgamation. Co-ownership rights arising in this way shall be deemed to be goods under retention of title within the meaning of these Terms and Conditions.

In the event that our goods should be amalgamated with other move-able objects to form a unified object or inextricable mixed and the other object is deemed to be principal object, it shall be deemed as having been agreed that the purchaser transfers proportionate co-ownership to us, if the principal object belongs to it.

The same shall apply in all other respects as in the case of goods under retention of title to any object evolving from processing and amalgamation or mixing,

6.5. We undertake to release securities in our favour, as we may select, once such securities exceed 20% of our receivables to be secured.

7. Notification of Defect and Warranty

7.1. We shall be liable for defects as follows:

a) Upon arrival of goods, the purchaser shall immediately inspect goods received as regards quantity and quality. Visible defects shall be reported within one week by way of written notification.

b) Claims based on hidden defects, which can not be found during the course of immediate inspection, may only be asserted against us if the notification of defect is received by us within 12 months as of receipt of goods. This clause shall not be applicable, if hidden de-facts should be based on circumstances, which have been caused as a result of intent or gross negligence by us or our vicarious agents, whereby violation of obligation causes damage by loss of life, bodily harm or injury to health or where longer deadlines are provided for in terms of § 479 "BGB".

7.2. In the event of justified complaints, the purchaser shall be entitled to demand rectification of defect or substitute delivery, as it may select. However, we shall be entitled to select a different manner of subsequent performance instead of the manner of subsequent performance selected by the purchaser, if the manner of subsequent performance selected by the purchaser should only be possible by incurring excessive costs. In the event of failure, refusal or unacceptability to carry out subsequent performance, the purchaser shall either be entitled to reverse the contract or reduce the agreed compensation, as it may select.

If defect should be based on circumstances, which are attributable to intent or gross negligence by us or our vicarious agents, the purchaser shall be entitled to demand compensation of damages due to non-performance or restitution of futile expenditure. § 361 "BGB" shall remain unaffected.

7.3. Asserting further going claims for compensation of damages, in particular consequential damages caused by defect, shall not be permitted. This shall not apply, if damages are attributable to circumstances arising due to intentional or grossly negligent violation of obligation by us or our vicarious agents, whereby the violation of obligation causes culpable damage by loss of life, bodily harm or injury to health or else if we have culpably violated inherent contractual obligations, whereby loss of life, bodily harm or injury to health has not been caused or if we can be blamed for intent; our remedy of damages shall be limited to predictable, typically occurring damages. Our liability in terms of the Product Liability Laws shall remain unaffected.

7.4. If a part of goods delivered should prove to be defective, this shall not justify rejection of the entire consignment; unless if partial delivery should prove to be worthless in fulfilling the interests of the purchaser.

7.5. If tolerances customary to the trade or industry should be met, no warranty claims shall be constituted.

7.6. In the event that defective goods should be attributable to the quality of materials used, we shall be entitled to assign our claims against the respective sub-suppliers to the purchaser. In such a case we shall be liable as guarantor, if such claims against the sub-supplier should not exist or not be enforceable due to fault on our behalf.

7.7. Up to 10% over-delivery or short-delivery of order batches con-forms to standard usage in business volume and shall thus not constitute objection. Quantities actually delivered shall be accounted for.

7.8. No guarantee is taken over for damages, occurring due to the following reasons:

- unsuitable or improper use,
- faulty assembly by the purchaser or third parties, despite due and proper and clear mounting instructions,
- faulty start-up by the purchaser or any third party,
- natural wear and tear,
- faulty or careless treatment,
- unsuitable operating resources,
- alternative materials,
- chemical, electronic or electrical influences, if such influences are not attributable to fault of the supplier.

7.9. The supplier guarantees that deliveries comply with the prevailing laws prescribed by the Federal Republic of Germany pertaining to the respective products.

7.10. The purchaser's right of recourse against us pursuant to § 478 „BGB“ (regress by the entrepreneur) shall only exist insofar as the purchaser has not reached agreement exceeding the statutory warranty claims with its buyers.

7.11. Products not delivered as factory-new according to agreement shall not be subject to material de

8. Safekeeping, Insurance

8.1. Templates, drawings, raw materials, tools and other objects to be re-used as well as semi and finished products, shall solely be kept safe beyond the delivery date after prior agreement and against special compensation. The principal shall only be liable in the event of intent or gross negligence.

8.2. If put on readiness by the ordering party until delivery date, the before mentioned objects shall be treated with due care. We shall solely be liable in the event of intent or gross negligence.

8.3. If it should be necessary to insure the before mentioned objects, the purchaser shall procure such insurance cover itself.

9. Apparatus and Copyrights

9.1. Apparatus, tools and other templates in accomplishment of order, which have been developed and produced by us, shall remain our property, also in the event that pro rata costs should be charged.

9.2. Solely the purchaser shall be responsible that through performance of its order, no third party rights, in particular, copyrights, patents or registered designs are infringed upon. The purchaser shall indemnify us from any and all third party claims based on such violation of the law.

10. Imprint

We shall be entitled to make reference to our company name in a suitable way on contractual products. The purchaser shall solely be entitled to refuse consent, if it should have an overriding interest.

11. Place of Performance, Venue of Jurisdiction, Effective Date

11.1. Place of performance as regards all goods and services as well as payments shall be Einbeck.

11.2. If the purchaser should be a registered merchant, legal entity under public law or special fund under public law, sole venue of jurisdiction with regard to any disputes which may arise between the parties, including bills of exchange and legal proceedings based documentary evidence, shall either be the District Court Einbeck or the District Court Göttingen, in accordance with relevant competence. The same venue of jurisdiction shall apply if the purchaser should have no general jurisdiction locally, relocates its ordinary domicile or habitual residence outside domestic territory after conclusion of the contract or if the domicile or habitual residence of the purchaser should not be known at the point in time of raising action.

11.3. In the event that any one or several of the provisions contained in these Terms and Conditions of Delivery should be invalid, the validity of the other provisions set forth herein shall not be affected thereby.

12. Miscellaneous

12.1. The laws of the Federal Republic of Germany shall govern these Terms and Conditions under exclusion of UN Purchase Law.

12.2. Within the framework of business relations, we shall be entitled to process personal data entrusted to us within the scope of accomplishing the purpose of our assignment i.e. to save, transmit, change and delete.