

General Terms and Conditions (Translation)

(Selling, Delivering and Paying Conditions for Metal Casting Products)

Following the Rules of Actions of the Association of German Metal Foundries Incorporated Society

1. General / Conclusion of Contract

- a) Contracts for delivery we conclude at the following conditions only.
- b) Our offers are subject to change. For the amount of trade of the service, the consensual, written statements are relevant. Subsequent changes and additions need to be made in writing.
- c) Purchaser conditions, conflicting or deviating to our conditions, we do not accept also in case, that we know of purchaser conditions and execute the delivery without reservation, unless they have been accepted in written form by us.
- d) Our conditions are valid towards enterprises (as defined by § 14 section 1 German Civil Code BGB) only; they are also valid for all future commercial activities with the purchaser of the current business relations.

2. Prices

- a) Our prices are valid ex works (EXW), exclusive packaging and value added tax.
- b) If the costs of order will change significantly after conclusion of the contract, the contract partners are obligated to reach an agreement about an adaptation of the prices.

3. Delivery and Purchase Duties

- a) Delivery dates begin, as soon as all execution details have been clarified and the purchaser has fulfilled all requirements. As far as nothing different has been arranged, the delivery date is the day of dispatch. However, if the delivery delays without our guiltiness, then the day of preparation is counted to be the delivery date. Partial deliveries are acceptable, as far as no recognisable interest of the purchaser is opposed to this.
- b) If we are hindered to deliver in time, by act of God, or by circumstances, that are unforeseeable and beyond our control, like for example governmental procedures, riots, or delivery failures by our supplier, then the time for delivery is extended by the duration of hindrance. If the hindrance lasts more than three months, then we and the purchaser can resign from the contract concerning the not yet fulfilled part, by exclusion of claim for damages.
- c) In case of our delay, the purchaser is authorised to set an adequate grace period and to resign from the contract, after the period has lapsed without success. Claims of compensation for damages instead of the service are limited in case of our slight or simple negligence to the damage, which is typical for the contract and predictable.
- d) At call orders without arrangement of time span, batch sizes, and approval dates, we can demand a mandatory fixing on this, the latest three months after acceptance of order, if nothing different has been stipulated in writing. If the purchaser does not comply with this requirement within three weeks, we are authorised to set a 2-week period of grace, and to resign from the contract after its expiration, and to demand compensation of damages.
- e) If the purchaser wants, that necessary testings are executed by us, then type and extent of the testings is to be stipulated. If this does not take place, the latest at conclusion of the contract, then the costs are at the expense of the purchaser.
- f) If a delivery shall be done on the basis of a sample being produced by us, then the purchaser must inspect and release this sample in our plant, immediately after the message of completion of the sample. If this release does not take place in spite of setting of an appropriate period of grace by reasons, for which the purchaser is responsible for, then we are authorised to send the sample, or to store it at the expense and the risk of the purchaser; thereby the sample is counted to be released.

4. Transport and Passing of the Risk

- a) The risk is passed over to the purchaser, if the products leave our plant (ex works = EXW).
- b) If the transport is delayed by reasons, that the purchaser is to act

for, then the risk is passed over at the day of preparation.

5. Dimensions, Weights, and Delivery Quantities

- a) For the compliance with the dimensions, the DIN and EN standards are valid. Furthermore, we indicate dimension and weights to the best of one's knowledge in our offers and order confirmations. However, they are no property guarantees. Slight deviations, especially overweights or underweights, being caused by the casting process, do not authorise the purchaser to complaints and deficit claims, as far as nothing different has been stipulated.
- b) Concerning the order quantity, for series productions, an over-delivery or short delivery up to 10 % is acceptable, because of the characteristics of the metal casting process.

6. Claims on the Basis of Shortcomings

- a) The enforcement of claims on the basis of shortcomings by the commercial purchaser requires, that the same fairly complied with his examination and objection duties, pursuant to § 377 German Commercial Code HGB. Other contractors must inform us within 14 days after receipt of the products about obvious shortcomings, otherwise the purchaser claims on the basis of shortcomings are to be omitted. Possible objections must be done in written form with specific indication of the shortcomings.
- b) To us the chance is to be given, to check the objected deficit at location and position. Our check must be done immediately, if the purchaser has stated an interest on prompt execution.
- c) Claims on the basis of shortcomings fail, if only irrelevant deviations from the quality or only an irrelevant damage of usability are on hand.
- d) All our specifications are only descriptions of the work and no guarantees, if nothing different has been stipulated.
- e) As far as a defect of the product is on hand, which we are to act for, then we have the right on our choice to remove the shortcomings, or to deliver additionally.
- f) If the purchaser for reasons, that we are not to act for, wrongly rebukes the existence of a defect, that we are to act for, then we have the right to charge the arisen, appropriate expenditures for the defect deletion and/or detection to the purchaser.
- g) We can charge the purchaser with the additional costs for the expenditures, needed for the purpose of supplementary performance, especially transport, distance, work and material costs, as far as the expenditures are increased by sending the delivery product to another location than to the delivery address, unless the sending is done according to the terms of the contract, concerning the assumed application.
- h) Recourse actions of the purchaser for buying consumer goods (§ 478 German Civil Code BGB) are excluded with regard to the stipulation of the purchaser with his acceptor insofar, as they go beyond the legal claims of the acceptor on the basis of shortcomings. The purchaser must inform us in due time about claims of his acceptors on the basis of shortcomings, so that we can fulfil to our choice the claims of the acceptor instead of the purchaser.
- i) Claims on the basis of shortcomings already lapse 12 months after delivery, unless we would have caused the shortcomings carelessly, intentionally, or would have concealed them maliciously. This lapse of time is also valid for claims from possible guarantees being given by us or being mandatory to us, if nothing different results from them. The legal time limits for the recourse action, pursuant to § 478 German Civil Code BGB, remain unaffected, the same is valid for longer, legal periods of limitation, as for the construction of buildings, or the delivery of products, which due to their normal application type have been

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used for a building and have caused its defectiveness. These periods of limitation are also valid for consequential harms, caused by a defect, as far as they are not enforced from unauthorised action. If because of defective delivery a supplementary performance is required, then the lapse of time is retarded only until the supplementary performance, and not again set to be started.

For damages from the violation of life, of body, or of health, by shortcomings, which we are to act for, the period of limitation is 24 months after delivery.

- j) Before the purchaser can enforce further claims or rights (rescession, reduction, compensation, or reimbursement of expenses), first of all a chance to supplementary performance is to be given to us during an appropriate period of time, as far as we did not issue an otherwise guarantee. If the supplementary performance fails in spite of at least two trials, if we reject the supplementary performance, or if it is not possible or unacceptable to the purchaser, then the purchaser can resign from the contract or lower (reduce) the payment. For the enforcement of compensation or reimbursement of expenses, paragraph 7 of this conditions is valid.
- k) Furthermore, for claims because of defect of title is valid additionally:

(1) As far as nothing different has been stipulated, we are obligated only to provide the deliveries in the land of delivery address, freely from the rights of third parties.

(2) In case of violation of property rights of third parties, which we are to act for, we can due to our choice either achieve to our costs an appropriate right of use for the stipulated or presupposed usage, or transfer it to the purchaser, or change the delivered product in such a way, that the property right is not violated, or change the delivered product, as far as by this the stipulated or presupposed use of the delivered product is not affected. If this is not possible to us, or if we reject the supplementary performance, or if the same fails, then the purchaser is entitled to the legal claims and rights. For compensation and reimbursement of expenses claims, paragraph 7 is valid.

- l) If the choice samples are sent to the purchaser for checking, then we are liable only for executing the delivery due to the choice sample by consideration of possible corrections.

7. Compensation

- a) The enforcement of compensation or reimbursement of expenses (in the following "compensation"), because of defects of the delivered product (claims on the basis of shortcomings), is excluded, as far as we cannot execute a supplementary performance by reasons, that we are not to act for.
- b) The enforcement of compensation for defect and consequential harm caused by a defect, which are caused by the delivery of flawed products, in principle presupposes, that we have caused the defects intentionally, carelessly, or by a simple violation against essential contract duties (standard duties), as far as nothing different has been stipulated. However, in case of violation of standard duties, our liability for a slight negligence is limited by the size concerning to the foreseeable and typical damage.
- c) Paragraph 7, character b) of these conditions is also valid for the enforcement of compensation for a violation against a stability guarantee (§ 434, section 2, German Civil Code BGB), granted by us or to us.
- d) Otherwise compensation claims and claims for reimbursement of expenses ("compensation claims") of the purchaser are excluded, irrespective of legal basis, especially because of violation against

duties of the obligation and in connection with it, because of violation before or at conclusion of contract, and from unauthorised action. This is not valid for claims pursuant to §§ 1, 4 German Law on Product Liability ProdHaftG, in cases of intent, or gross negligence, violation of life, damages of body or health, because of assuming a guarantee for the existence of a property (property guarantee), or at our negligent, significant breach of duty. In no case we go beyond the legal claims. In case of our simple negligence, our liability is limited to the foreseeable and typical damage. Changes of burden of proof are not connected with these regulations in the paragraphs a) and b).

- e) As far as our liability is excluded or limited, this is also valid for the personal liability of our employees, jobholders, staffs, agents, and assistants.
- f) The lapse of time of the claims between deliverer and purchaser complies with paragraph 6, character i), as far as claims from the manufacturer's liability pursuant to §§ 823 ff. German Civil Code BGB or from the German Law on Product Liability ProdHaftG are not concerned. This lapse of time is especially valid for consequential harm caused by a defect, too.
- g) If we accept the contractual obligation to examine our products for the existence of certain properties and qualities, then we are liable for damages, which lead back to the fact, that we did not observe the testing conditions of the purchaser.

8. Conditions of Payment

- a) Invoices on mature amounts are to be payed within 30 days after the invoice date (entrance date) at no charge. Bills of exchange or cheques are accepted—if at all—on account of performance only. Charges for bills of exchange and cheques are for the purchaser's account.
- b) Charges for component referred models and production facilities pursuant to paragraph 10, character b) are always to be payed in advance, if nothing different has been stipulated.
- c) The purchaser can count up only with claims against our claims, that are uncontested or in force. The exercise of a right of retention or a right to refuse performance by the purchaser is authorised only, if the same conditions are fulfilled at the counterclaims of the purchaser or have at least been shown credibly for defects of the delivered product (for example by written confirmation of a neutral person or organisation) and furthermore his counterclaim is based on the same contractual relationship.
- d) If the purchaser is in default of payment, the we are authorised to charge default interest in the amount of 8 % per annum over the base lending rate.

9. Reservation of Proprietary Rights

- a) We keep to us the ownership of the delivered articles until the receipt of all payments from the business connection with the purchaser, or until the compensation of the accepted account balance, if an account current with the purchaser exists. In case of contrary to contract by the purchaser, especially at default of payment after setting a deadline, we are authorised to withdraw the delivered thing. This is not valid, as far as the purchaser has already applied for insolvency proceedings, or an insolvency proceeding has been opened, because of which an immediate withdrawal of the delivered articles by us is not permitted. After withdrawal of the delivered article, we are authorised to its utilisation, the utilisation receipts is to be charged to the debts of the purchaser—minus appropriate utilisation costs. The utilisation regulations of the insolvency regime remain unaffected.
- b) The purchaser is obligated to handle the delivery item with care, especially he is obligated to insure the same for own account against fire, water, and theft damages, adequately to the replacement value. As far as service and inspection works are required, the purchaser must execute this betimes for his own account.

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- c) In case of distraints or other intervention by third parties, the purchaser is to inform us immediately. The purchaser is liable to us for the judicial and extrajudicial costs of a possibly required complaint, pursuant to § 771 German Civil Process Order ZPO (third party proceedings).
- d) The purchaser is authorised to resell the delivery item in an ordinary course of business, however he already now assigns all claims in the amount of the invoice final amount (including value added tax) of our claims, which accrue to him from the resale against his acceptors or third parties, namely independent of, whether the delivered article has been resold without or with subsequent processing. The assigned book account also concerns to an accepted balance or respectively in case of insolvency of the acceptor of the purchaser to the "causal" accounting balance. For collection of these receivables, the purchaser remains authorised also after the assignment. However, we are authorised to collect the receivables ourselves, if the purchaser does not yet discharge his payment obligations from the generated proceeds, gets into default of payment, or has brought forward a motion for an issuance of insolvency proceedings, or was brought forward to it, or suspension of payment is on hand. In these cases, we can demand, that the purchaser discloses to us the assigned book accounts and their debtors, or gives all required particulars for collection, brings out the corresponding documents, and informs the debtors (third parties) about the assignment. However, a collection of receivables by us is not possible, if the insolvency regime is against it.
- e) The treatment or alteration of the delivered article is always done by the purchaser for us. If the delivered article is processed with other articles, not belonging to us, then we gain the joint ownership to the new thing in the ratio of value of the delivered article to the other processed articles at the moment of the treatment. Furthermore, for the thing, originated by treatment, the same is valid as for articles being delivered with reservations.
- f) If the delivered article is mixed inseparably with things belonging to us, then we gain the joint ownership to the new thing in the ratio of value of the delivered article to the other mixed articles at the moment of mixture. If the mixture takes place in a way, that the thing of the purchaser must be considered to be the main part, then is presumed to be agreed, that the purchaser transfers to us proportionate joint ownership. The purchaser stores the so generated belongings or joint ownership for us.
- g) The purchaser assigns to us also the claims for protection of his claims against him, which accrue against a third party from the connection of the delivered article with a real estate.
- h) We are obligated to unblock the securities being entitled to the purchaser, if he demands this, also insofar, as the value of his securities exceeds the claims to be protected by more than 20 %, the choice of the securities to be unblocked falls to us.
- 10. Component Related Models and Production Facilities**
- a) As far as the purchaser provides with models or production facilities (for example casting moulds), they are to be sent back at no charge. We can demand, that the purchaser retrieves such facilities at any time; if he does not comply with such a demand within 3 months, then we are authorised to send him the same back at his own expense. The purchaser supports the costs for the repairs and desired changes.
The purchaser is liable for technically correct construction and execution of the facility to secure the production purpose, we however are authorised to cast-technically caused changes. Without special stipulation, we are not obligated to check the conformity of the provided facilities with attached drawings or models.
- b) As far as component related models or production facilities are produced or procured by us at the request of the purchaser, the purchaser must pay us for the originated costs for this purpose. In case, that not the complete costs have been charged, the purchaser also bears the remaining costs, if he does not take the lot size, that he promised, when the contract was concluded. The models and production facilities being produced or procured by us, remain to be our properties; they are used exclusively during the run-time of the contract for deliveries to the purchaser. If since the last delivery more than 3 years have passed, then we are not obligated for further storage. As far as deviating hereof has been stipulated, that the purchaser becomes owner of the facilities, then the property passes to him by paying of the purchase price. The delivery of the facilities is replaced by our storage duty. The storage relationship can be resigned by the purchaser at the earliest 2 years after the transfer of ownership, if no other stipulations have been reached.
- c) All models and production facilities are handled by us with the same care, which we use to apply in own matters. On demand of the purchaser, we are obligated to insure his models and facilities at his own expense. Claims for compensation of consequential damages are excluded under the preconditions of paragraph 6, character c) and paragraph 7.
- d) If deliveries take place due to drawings or other statements of the purchaser, and if hereby property rights are violated, then the purchaser discharges us from all claims. Our drawings and documents, delivered to the purchaser, as well as our suggestions for the advantageous arrangement and production of the castings must not be handed down to third parties and can be demanded back by us at any time.
License claims of the purchaser because of commercial property rights of sent, or on his order produced or procured models and production facilities are excluded, as far as the same are used by us according to the contract.
- e) For use of one-time models (for example of expanded polystyrene), special stipulations are required.
- 11. Parts to be Poured in**
- a) Special parts to be poured in, must be delivered at no charge; they must be true to size and ready to be poured in. Required handling charges are for the purchaser's account.
- b) The number of parts to be poured in must exceed appropriately the number of ordered castings.
- 12. Legal Domicile, Place of Execution and Applicable Law**
- a) Legal domicile is our place of business in Aalen, as far as the purchaser is a merchant; this is also valid for acceptance and cheque liabilities. However, the claimant is authorised to take the defendant to court at the place of business of the defendant.
- b) Place of fulfilment for the mutual liabilities of contracts with the purchaser is Aalen.
- c) For the whole privities of contract between us and the purchaser, German law is valid exclusively. The application of the United Nations Convention on Contracts for the International Sale of Goods from 04/11/1980 in Vienna is excluded.

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Aalener Gesellschaft fuer Leichtbauteile mbH
(Aalen's Society for Light Components mbH)