

General Terms of Delivery and Payment (GTC) of BKM Präzisionswerkzeuge Stanz- und Biegeteile GmbH,

As of 04/2016

1. General information

The following GTC apply exclusively to every order placed with us and to the overall business dealings with all of our customers. They are an integral part of all the contracts that the buyer enters into with us. Our GTC, as amended from time to time, also apply to all follow-up business without this having to be expressly mentioned or agreed at that time.

We are not bound by the buyer's general terms and conditions, and they do not become an integral part of the contract, even if we have not expressly objected to them.

Our silence toward contradicting general terms and conditions of the buyer is explicitly considered a rejection thereof.

Any agreements entered into orally or by telephone that deviate from our GTC are valid only if we confirm them in writing (letter, email, fax).

2. Offers, order confirmations, entry into a contract

All of our offers are subject to confirmation and nonbinding unless they are specifically identified as binding or contain a specific acceptance deadline.

Orders and other agreements are not considered accepted until we have confirmed them in writing.

If we do not separately and in writing confirm a contract entered into orally or by telephone, the invoice we issue is considered confirmation.

Information from us regarding the subject matter of the delivery or service (e.g. weights, measurements, utility values, capacities, tolerances and technical data) as well as our depictions thereof (e.g. drawings and diagrams) are only approximate representations, unless usability for the contractual purpose requires exact conformity. They are not guaranteed quality features, but rather descriptions or characterizations of the delivery or service. Customary deviations or deviations due to legal regulations or that represent a technical improvement as well as the replacement of components with equivalent parts is permitted, provided this does not interfere with usability for the contractual purpose.

We reserve the ownership of or copyright in all offers and cost estimates we provide, as well as regarding all drawings, diagrams, calculations, pamphlets, catalogs, models, tools and other documents and resources provided to the buyer. Without our express consent, the buyer may not make them accessible to third parties as such or disclose their content, make them

public, use or reproduce them themselves or do so through third parties. On our request, the buyer shall return these objects to us in their entirety and shall destroy any copies that may have been made, provided the buyer no longer needs them in the ordinary course of business or if negotiations do not lead to a contract. The storage of data provided electronically is exempt for the purpose of ordinary data backup.

3. Prices

We reserve the right to raise the prices appropriately if costs, particularly for wages, energy, raw materials or transportation increase after entry into the contract.

If additional or increased charges – specifically customs duties, export or import levies, currency adjustments – arise between the time of entry into the contract and delivery due to a change in legal norms, we shall be entitled to increase the agreed purchase price accordingly.

If the buyer purchases less than the quantity ordered (e.g. in the case of master agreements or delivery schedules), we are entitled to increase the price appropriately.

The applicable statutory value-added tax will be charged separately.

4. Quantity delivered

We reserve the right to have deviations of the quantity delivered from the quantity ordered (or master agreements/delivery schedules) of plus or minus 10 % subject to primary materials and for manufacturing reasons.

The quantities will be determined on our calibrated counting scales and are binding for invoicing. Documentation is supplied by submission of the weight record.

5. Delivery and delivery period

Unless otherwise agreed, deliveries will be ex works.

Stated delivery times are always nonbinding unless expressly agreed otherwise in writing.

Delivery dates or delivery periods begin upon entry into the contract and after all technical details have been clarified.

In the case of subsequent contract amendments, a new delivery date or delivery period shall be agreed in each instance.

Our delivery obligation is subject to the timely and proper receipt of delivery to our company.

Delivery obstacles due to force majeure or based on unforeseeable events beyond our control, e.g. riot, strike, lockout in our company

or in that of our upstream supplier, loss of export or import options after the fact, as well as our own delivery reservation pursuant to the foregoing paragraph, release us from the obligation to meet any agreed delivery deadlines for their duration and in the scope of their impact. They also entitle us to rescind the contract without giving the buyer claims for damages or other rights as a result.

Any claims for damages of the buyer due to noncompliance with delivery deadlines or delivery periods are expressly excluded unless we are charged with intentional misconduct or gross negligence.

If the buyer sets a reasonable grace period (of at least two weeks) with the threat of rejection after we have already defaulted, the buyer will be entitled to rescind the contract after the unsuccessful expiration of the grace period.

We will only be entitled to make partial deliveries if

- The partial delivery is usable for the buyer as part of the contractually designated purpose;
- The delivery of the remainder of the ordered goods is guaranteed and
- The buyer does not incur any significant additional expenses as a result.

6. Transfer of risk

Shipment and delivery with their own or third-party means of transportation take place at the buyer's risk.

If the buyer defaults on acceptance, the risk of accidental destruction of the goods also transfers to the buyer.

7. Shipping, packaging

Unless the buyer issues special shipping instructions, we will handle the shipping or delivery in the most economical way at our discretion.

Goods ready for shipment must be accepted by the buyer within eight days after they are made available. If this deadline is not met, we are entitled to invoice the goods, store them at the expense and risk of the buyer and charge the carriers' usual storage fees.

Packaging will be appropriate, but nonbinding for us.

8. Payments

Unless otherwise agreed, payments shall be made with a 2 % discount within 14 days or net within 30 days, notwithstanding the right to give notice of defects and excluding offset and retention.

Invoices for the cost of tools and production of prototypes are payable net (without a discount) immediately after approval of the patterns submitted by us, however, at the latest 14 days after delivery of the models if the pertinent test is delayed without us being at fault.

Drafts, checks and bills of exchange will only be accepted in lieu of payment. The buyer shall bear and immediately pay any discounts or other fees.

The buyer can only offset against our claims or assert a right of retention if the counter-claim is undisputed or legally established.

If the buyer does not meet its payment obligations or obligations arising under our retention of title, if means of payment are not cashed or if the buyer stops payments, the entire invoice amount becomes due immediately and in cash. If the entire remaining liability is not paid, the buyer's right of use is forfeited and we are entitled to demand the surrender of the goods and exclude any rights of retention.

The costs of taking back possession will be borne by the buyer.

If the buyer defaults on payment, we are entitled to charge the statutory interest for default.

If the buyer defaults on payment, we are no longer obligated to continue deliveries. We can demand immediate cash payment or the provision of collateral for goods that have not yet been delivered.

If we rescind the contract due to payment default or for other reasons within the buyer's control, we are entitled to demand a flat rate of 20 % as damages including lost profits. The amount of the compensation must be set higher if we prove higher damages. The buyer has the right to prove we suffered lower damages.

9. Retention of title

The retention of title agreed below serves to secure all of our respective existing current and future claims against the buyer under the delivery relationship between us and the buyer.

The goods we deliver to the buyer remain our property until full payment of all secured claims. The goods as well as any that take their place pursuant to the provisions below and are covered by the retention of title are referred to as "Goods subject to Retention of Title" hereinafter.

The buyer shall safekeep the Goods subject to Retention of Title for us free of charge.

The buyer may process and sell the Goods subject to Retention of Title in the ordinary course of business until recovery occurs. Pledges and chattel mortgages are not permitted.

It is agreed that if the buyer processes the Goods subject to Retention of Title, the processing will be done in our name and for our account as the manufacturer and that we acquire ownership directly or – if the processing takes place using the materials of several owners or the value of the processed goods is higher than the value of the Goods subject to Retention of Title – co-ownership (joint ownership) in the newly created object in proportion to the value of the Goods subject to Retention of Title to the value of the newly created object. In the event that no such acquisition of ownership occurs in our favor, the buyer hereby transfers to us for security its future ownership or co-ownership – of the newly created object in the above proportion. If the Goods subject to Retention of Title are joined or mixed inseparably with another object and one of the other objects is to be considered the main object, the buyer assigns to us a co-ownership right in the integrated object in the proportion mentioned in sentence 1, to the extent the main object belongs to the buyer.

If the Goods subject to Retention of Title are resold, the buyer hereby assigns to us as security the resulting claims against the purchaser – if we have co-ownership in the Goods subject to Retention of Title, in accordance with our proportion of co-ownership. This also applies to any claims that take the place of the Goods subject to Retention of Title or that otherwise arise with regard to the Goods subject to Retention of Title, e.g. insurance claims or tort claims in the event of loss or destruction. We revocably authorize the buyer to collect the claims assigned to us in its own name. We may only revoke this collection authorization in the event of recovery.

If third parties access the Goods subject to Retention of Title, particularly by seizure, the buyer will promptly point out our ownership and inform us thereof in order to allow us to enforce our property rights. If the third party is not able to reimburse us for any costs incurred in or out of court in this regard, the buyer will be liable to us for such costs.

We will release the Goods subject to Retention of Title or the objects or claims taking their place insofar as their value exceeds the amount of the secured claims by more than 50 %. The choice of objects to be released is ours.

If we rescind the contract due to behavior of the buyer that violates the contract – particularly in case of payment default – (recovery event), we are entitled to demand surrender of the Goods subject to Retention of Title.

10. Warranty

The buyer or recipient is obligated to promptly do the following with the goods on delivery at the agreed destination or, in case of self-pickup, when taking possession of them:

a. Check the number of pieces, weights and packaging and note any complaints on the

packing slip or bill of lading or the notice of receipt and

b. Carry out at least a representative, random quality inspection.

The buyer shall observe the following forms and deadlines when giving notice of any defects:

– The complaint must be made by the end of the workday following the date the goods were delivered at the agreed destination or possession of them was taken. When giving notice of a hidden defect that remained undiscovered initially despite a proper initial examination pursuant to the paragraph above, an alternative deadline of two weeks after discovery of the defect shall apply.

– The detailed complaint must be received by us in writing, by email, by telex or by fax within the aforementioned deadlines. Notification of a defect by telephone is not sufficient. Notices of defects given to sales representatives, brokers or agents are irrelevant.

The buyer is obligated to keep the goods complained about ready for us or an expert commissioned by us to view at the place of inspection.

Goods complained about in an improper format or outside the time period shall be considered approved and accepted.

In the case of justified notices of defects, we are obligated, at our option, to provide repairs or replacement deliveries within a reasonable time period or to reduce the purchase price. The buyer is not entitled to assert any more extensive rights and claims. Specifically, we are not liable to the buyer for damages due to nonperformance or poor performance unless the goods delivered by us lack an expressly warranted property or there has been intentional misconduct or gross negligence on our part.

The liability for defects does not apply to natural wear and tear, excessive use and improper handling, manipulation or processing.

Claims for material defects become time-barred 12 months after the legal statute of limitations begins to run.

11. Withdrawal

If the buyer cancels an order that it has placed, it shall compensate us for all costs incurred in the performance of the contract, including general expenses and a share of profits.

12. Foreign orders

The euro is expressly specified as the currency of settlement for foreign orders.

If the legislation of the buyer's country makes transferring the purchase price to us difficult, we may refuse delivery without being obligated to pay compensation or we may request a

corresponding modification of the terms of purchase and the delivery periods.

13. Binding nature of the contract

Any change due to contractual agreements or any possible invalidity of individual provisions of our GTC shall not affect the validity of the remaining provisions. Any invalid, void or voidable provision shall be reinterpreted or replaced in such a way that its intended economic purpose is achieved in a legally permissible manner

14. Place of performance, place of jurisdiction, applicable law

The place of performance for both parties to the contract for all current and future claims arising under the business relationship is Schwabach.

The place of jurisdiction for all disputes, including check, bill of exchange and document proceedings, is the Local Court [Amtsgericht] of Schwabach or the Regional Court [Landgericht] of Nuremberg-Fürth at our option, regardless of the amount in controversy. However, we have the right to sue the other party to the contract at any other location.

The laws of the Federal Republic of Germany shall apply. International sale of goods laws are excluded. This expressly applies to the application of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

Notice:

The buyer acknowledges that we store data from our contractual relationship as defined in Article 28 of the German Data Protection Act [Bundesdatenschutzgesetz] for the purpose of data processing and that we reserve the right to transmit such data to third parties (e.g. insurance companies) to the extent this is necessary to perform the contract.

– End of the GTC –