

General Conditions of Delivery and Payment for Foundry Products

As of October 2018

We supply our goods and services only at the conditions below. Conflicting conditions of the customer will not apply, including if we are aware of them and carry out deliveries without reservation. Our conditions do not apply to retail customers within the meaning of Section 13 of the German Civil Code (BGB). These conditions will also apply to all future transactions with the customer arising from the current business relationship. All agreements reached between us and the customer for the purpose of carrying out this agreement are to be recorded in this contract in writing. Amendments and additions to this agreement must be in writing.

1. Concluding Contracts, Scope of Delivery

- a) Our offers are non-binding and subject to alteration at any time unless otherwise stated in the confirmation of the order or unless we have expressly declared otherwise in writing. A contract will only be deemed to have been concluded if we have confirmed an order in writing or if we execute the order.
- b) The details contained in prospectuses and catalogues such as illustrations, drawings, weights and measurements are approximate values in line with the industry standard unless expressly referred to as binding.
- c) We reserve right of ownership and copyright to illustrations, prospectuses, calculations and other documentation; they may not be made accessible to third parties. This applies in particular to such written documentation designated "Confidential"; the customer requires our express written permission before this documentation is passed to third parties.

2. Pricing and Conditions of Payment

- a) Our prices apply ex-works plus packaging, freight, postal charges, insurance and the applicable statutory value added tax.
- b) If order-related costs alter substantially after the contract has been signed, the parties to the contract will agree on an adjustment.
- c) Unless otherwise agreed, our invoices are to be paid immediately without deduction.
- d) The customer is entitled to retain payments based on any counter-claims or to offset these only if undisputed or legally-established payment claims have been received.
- e) If we have delivered partially defective goods, the customer will still be obliged to pay for those goods which are undisputedly non-defective unless the customer is not interested in partial delivery.
- f) If we are obliged to make advance deliveries and, if after the contract has been signed, we become aware of circumstances which threaten our payment claim due to the customer's lack of solvency, we may, together with the statutory claims and based on the retention of title agreed to in No. 9, forbid the resale and processing of the delivered goods and demand either that they be returned or that indirect ownership of the delivered goods be transferred to us at the customer's expense. We may also cancel the direct debit mandate subject to the conditions in No. 9(h). The customer authorises us here and now in the aforementioned cases to enter its premises and to collect the delivered goods. Taking back the goods will only constitute a cancellation of the contract if we expressly declare this.
- g) In cases of payment arrears, we may, after informing the customer in writing, suspend fulfilment of our obligations until we receive payment. After setting an appropriate deadline, we will be entitled to cancel the order in such cases.

3. Delivery Periods

- a) Delivery deadline periods begin when we confirm an order but not before all details and all other conditions to be met by the customer have been settled. The same applies to delivery dates. Deliveries and partial deliveries may be made before of the delivery period expires provided this is not unreasonable for the customer. The delivery date is deemed to be the date we notify the customer that the goods are ready for delivery, otherwise it will be the day the goods are shipped. Unless otherwise agreed or unless other arrangements are reached in the contractual relationship, the delivery period given by us will be non-binding at all times.
- b) Regardless of our rights arising from arrears on the part of the customer, agreed delivery periods and dates will be extended or postponed by the period by which the customer is in arrears with its obligations. If the customer falls into arrears of acceptance or if it culpably breaches other obligations to assist, we will be entitled to demand compensation for any resulting additional expenses. In this case, the risk of accidental loss or destruction or accidental worsening or deterioration in the goods will transfer to the customer the moment the customer falls into arrears.
- c) If we fall into arrears, the customer may set an appropriate subsequent deadline with the express declaration that it will refuse to accept our services; it may cancel the contract after this subsequent deadline expires.
- d) If we so request, the customer will be required to declare within an appropriate period whether it wishes to cancel the contract due to delay and/or demand compensation in lieu of performance or to insist on delivery.

4. Serial Deliveries, Long-Term Contracts and Call-Off Delivery Contracts

- a) Unlimited contracts may be terminated with a notice period of six months to the end of the month.

- b) If a substantial change in the wage, materials, location or energy costs occurs in respect of long-term contracts (long-term contracts are unlimited contracts and other contracts with a term of over 12 months) after the first four weeks of the contract, either contractual partner will be entitled to request an appropriate amendment to the price which takes these factors into account.
- c) Our prices are calculated based on the agreed quantities ordered. If no binding quantities have been agreed, our calculations will be based on the agreed target quantities. If the quantity ordered or target quantity falls below the minimum, we will be entitled to raise the price per unit accordingly. If we agree to the customer increasing the quantity, the customer may request an appropriate price-reduction provided it notifies us of this in writing at least two months before the agreed delivery date. The amount of the reduction or the increase will be determined according to our calculation bases.
- d) In the case of call-off delivery contracts and unless otherwise agreed, we are to be notified of any binding quantities at least three months before the call-up delivery date. Additional costs due to a late call-up or retrospective changes by the customer to the call-up in the time or quantity will be at the customer's expense. In such cases, our calculations will be the determining factor.
- e) In cases of series production, over-supply or under-supply of up to 10% of the quantity ordered will be permitted due to the special nature of the casting process.
- f) The total price will be altered in accordance with the scope of the order.

5. Acts of God and Other Hindrances

- a) Events due to Acts of God, industrial action, lockouts and official measures will entitle us to postpone delivery for the duration of the hindrance and an appropriate lead-time or to wholly or partially cancel the unfulfilled part of the contract.
- b) Unforeseen circumstances, such as operational disruptions, rejects and reworking that make it impossible for us to deliver on time in spite of reasonable efforts will be deemed to be equivalent to Acts of God; we will be required to provide the corresponding evidence.

6. Inspection/Testing Procedures, Acceptance

- a) If inspection for acceptance has been agreed, the extent and the conditions are to be established at the same time by the time the contract is concluded.
- b) If this is not done, inspection/testing will be carried out to the usual extent and in accordance with our usual conditions. The same will apply to inspection of samples.

7. Dimensions, Weights, Quantities

- a) Deviations from dimensions, weights and quantities within tolerances usual in business, the relevant DIN regulations and casting requirements are permitted. Information on dimensions and weights in our quotes and order-confirmations do not constitute guarantees of quality or inherent characteristics.
- b) The delivery weights and quantities determined by us are authoritative for our calculations.

8. Shipping and Transfer of Risk

- a) Unless otherwise agreed in writing, the delivery clause "ex works" (Incoterms 2010) will apply. This will also apply if we have undertaken to pay the freight charges.
- b) We will only take out transport insurance for the delivery at the express request of the customer; the costs incurred as a result will be borne by the customer.
- c) Goods we have notified as being ready for shipment are to be collected immediately, otherwise we will be entitled at our own option to ship them or store them at the usual freight forwarding charges and at the risk of the customer. We will also be entitled to store the goods if we are unable to ship them for reasons for which we are not responsible. The goods will be deemed to have been delivered one week following the beginning of the storage period.
- d) In the absence of any special instructions, we will decide the mode of transport and transport route at our own discretion.
- e) Risk will transfer to the customer when we hand the goods over to the railways, freight forwarder or carrier or one week following the beginning of the storage period but no later than when the goods leave our plant or warehouse. This will also apply if we have delivered the goods.

9. Foreign Trade Law

The delivered goods may contain components and/or software which are subject to the relevant export control regulations of the European Community, the Federal Republic of Germany and the export control regulations of the United States of America.

The customer undertakes to adhere to the export control regulations of the aforementioned countries and not to deliver to critical countries, critical recipients or for critical end-uses referred to in the regulations. The supplier has no obligation to the customer to fulfil the contract if there is a risk that this might lead to breaches of the export control regulations.

10. Retention of Title

- a) All delivered goods will remain our property (reserved goods) until all claims have been fulfilled, in particular the respective current account balance owed to us from the business relationship. This will also apply if payments are made for specially-designated claims. If the customer falls into arrears of payment, we will be entitled to demand the return of the delivered goods; the related costs will be borne by the customer. This will not apply if insolvency proceedings in respect of the customer have been opened or if the opening of such proceedings has been applied for. In such cases, we will not be entitled to demand the immediate return of the delivered goods.
- b) When taking goods back or asserting a claim for retention of title, the contract will only be said to have been cancelled if we expressly state this.
- c) The customer will process or treat the goods for us at all times. If the reserved goods are processed or irreversibly connected with other objects or items not belonging to us, we will acquire joint ownership of these objects or items as a percentage of their invoice value in relation to the value of other processed or treated objects or items being processed at the time.
- d) If our ownership dissolves due to connection or blending, the customer transfers to us here and now the rights of ownership of the new product or item due to it (the owner) as a percentage of the invoice value of the reserved goods and will store them for us free of charge. The resulting joint rights of ownership will be deemed to be reserved goods within the meaning of a) above.
- e) The customer may only sell the reserved goods in the normal course of business at its normal business conditions and, as long as it is not in arrears, provided the claims arising from resale in accordance with f) and g) below transfer to us. The customer is not entitled to dispose of the reserved goods in any other way.
- f) The customer's claims arising from the resale of the reserved goods are assigned to us here and now. These claims serve to secure the reserved goods to the same extent.
- g) If the reserved goods are sold by the customer together with other goods not supplied by us, the assignment of the liability arising from resale will only apply to the amount of the value of our invoice for the reserved goods sold. In selling reserved goods to which we have joint rights of ownership in accordance with b) above, the assignment of the claim will be deemed to be the value of these shares of joint ownership.
- h) The customer is entitled to collect claims resulting from the sale in accordance with e) and f) above until this right is revoked by us. We will be entitled to revoke such rights in the cases referred to in No. 2 if the customer falls into arrears of payment, applies for the opening of insolvency proceedings or has ceased payments. In these cases, the customer will be obliged to inform us immediately of the assigned claims and their debtors, give us all necessary information, give us all related documentation and inform the debtors of the assignment. The customer is not entitled to assign claims under any circumstances whatsoever.
- i) If the value of the existing collateral exceeds the value of the secured claims by more than a total of 20%, we will, at our option, be obliged to release security. The customer is required to inform us immediately of any seizures of the goods or any other impairments by third parties.

11. Liability for Material Defects

- a) We will be liable for the fault-free manufacture of parts supplied by us according to the conditions in the agreed technical supply regulations. With regard to the intended purpose, the customer will bear particular responsibility for precise manufacture in respect of any safety regulations, selection of materials, required inspection and testing procedures, correctness and completeness of the technical supply regulations, technical documentation and drawings supplied to us and construction of the facilities supplied, including if we suggest any alterations approved by the customer. The customer will also be responsible for ensuring that, based on information it has supplied, industrial property rights or other rights of third parties are not breached. The deciding factor for the contract-compliant condition of the goods will be the moment of the transfer of risk.
- b) We will not be liable for merely minor deviations from the agreed characteristics of the goods, for any minor impairments to usability or for any defects caused by unsuitable or improper use, incorrect installation or commissioning or fair wear and tear. If improper alterations are or if repair work is carried out by the customer or third parties, we will not be responsible for these alterations or repairs or any consequences thereof.

- c) The customer is required to notify any physical defects in writing immediately following the arrival of the goods at their destination; concealed defects are to be notified immediately after the fault is discovered.
- d) Where acceptance or inspection/testing of samples has been agreed in accordance with No. 6, defects which might have been discovered may not be notified for the purposes of complaint.
- e) We are to be given the opportunity to determine the defect/s notified. In cases where there is an imminent threat to operational safety or in order to avert excessively major damage for the customer, we will be obliged to establish the notified defect as soon as possible. Rejected goods are to be returned to us immediately on request. If the customer fails to fulfil these obligations or if it carries out alterations to the rejected goods without our consent, the customer will lose any and all rights due to physical defects.
- f) Where defects are notified in good time, we will at our option repair the rejected goods or supply fault-free replacement goods (subsequent fulfilment).
- g) If we fail to fulfil our guarantee obligations, fail to do so within an appropriate period or if the repairs initially remain unsuccessful, the customer may set a final deadline in writing within which we will be obliged to fulfil our obligations. No deadline will be required if it proves to be unreasonable for the customer. After this deadline has expired without success, the customer may at its option request a reduction in price, cancel the contract or carry out the necessary repairs itself or have them carried out at our expense and risk by a third party. If the repairs have been carried out successfully by the customer or a third party, all claims of the customer will be deemed to have been satisfied by reimbursement of the required costs it has incurred. The reduction in price and/or reimbursement of the repair costs will be limited to a maximum of the value of the defective castings or, if the rough castings have been delivered unprocessed, to the value of the rough castings.
- h) Claims by the customer for the necessary expenses incurred for subsequent performance resulting from the goods being transported to another location following delivery will not be recognised if they increase the expenses unless such transport is in keeping with intended use.
- i) Statutory rights of recourse of the customer against us will only be recognised if the customer has not reached any agreement with its own customer that exceed the statutory claims for defects.
- j) Further claims by the customer will not be recognised under the conditions set out in No. 13.
- k) The customer is responsible for proving the existence of defects.

12. Order-Related Production Equipment, Parts for Casting

- a) Order-related production equipment, such as models, templates, core boxes, moulds, casting tools and equipment, fixtures and inspection gauges provided by the customer are to be supplied to us free of charge. We will inspect the production equipment supplied by the customer to ensure that it matches the contractual specifications, plans or samples given to us only if expressly agreed. We may alter any production equipment supplied by the customer if this appears necessary to us for casting reasons and if this does not alter the component.
- b) The costs of alteration, maintenance and replacement of its production equipment will be borne by the customer.
- c) We will treat and store with care the production equipment which we usually use for our own purposes. We will not be liable for any accidental loss, destruction or deterioration of the production equipment. We may at the customer's expense and risk send back production equipment belonging to the customer but which is no longer required by us. If the customer fails to respond to our request to collect the equipment within an appropriate period, we will store such equipment at the usual costs after setting an appropriate subsequent deadline; failing this, we will destroy the equipment after giving appropriate notice.
- d) Order-related production equipment manufactured or purchased by us on behalf of the customer will remain our property including if the customer is invoiced for a share of the costs. The equipment will be stored for three years after the last casting. If, in deviation from Paragraph 1, it is agreed that the customer will become the owner of the equipment, this equipment will transfer to the customer on payment of the agreed price or part thereof. The handing-over of the equipment will be replaced by our obligation to store it. Following the transfer of ownership, the customer may terminate the storage relationship after two years at the earliest, provided there is no substantive reason not to do so. At the request of the customer, we will be obliged to insure the models and production equipment provided by the customer at the customer's expense.
- e) The customer may only assert claims arising from copyright and/or industrial property rights if it informs us that such rights exist and expressly reserves them.
- f) If product-rejects occur during the use of an item of production equipment which can only be used once, the customer will be required to either provide another such item of production equipment or bear the costs of supplying replacement equipment.
- g) Parts to be cast by us must be delivered by the customer in dimensionally accurate form and free of defects. Any parts made unusable due to rejects are to be replaced by the customer free of charge.

13. Confidentiality

- a) Each party to the contract will use all documents (including samples, models and data) and expertise obtained from the business relationship only for the jointly-pursued purpose and will keep them confidential from third parties with the same level of care as it would its own documentation and expertise if the other party to the contract has designated them as confidential or has an obvious interest in their being kept confidential.
- b) This obligation will begin after the documentation and expertise are first received and will end 36 months after the end of the business relationship.

14. General Limitation of Liability

- a) Unless otherwise specified below, other and further claims by the customer against us for whatever reason, in particular for breaches of obligations arising from the contractual relationship and from tortious liability, will not be recognised.
- b) This liability limitation will not apply where liability is legally mandated, for example in accordance with the German Product Liability Act, in cases of intent, gross negligence by legal representatives or senior executives and in cases of culpable breach of essential contractual obligations. In cases of culpable breach of essential contractual obligations, we will be liable only for reasonably foreseeable damage typical of contracts of this nature, with the exception of cases of intent or except in cases of intent, gross negligence by legal representatives or senior executives. Neither will this liability limitation apply to damage arising from death, physical injury or harm to human health or errors in guaranteed characteristics if and when the guarantee is intended specifically to protect the customer from damage which has not occurred to the supplied goods themselves.
- c) Should our liability be limited or not recognised, this will also apply to the personal liability of our salaried employees, waged workers, representatives and vicarious agents.
- d) Damages claims and claims for defects due to the customer against us will expire one year after the goods have been delivered to the customer. This will not apply if the law prescribes longer expiry periods in accordance with Section 438, Subsection 1, No. 2, (buildings and items normally used in buildings) and Section 479, Subsection 1 (rights of recourse) in accordance with the German Civil Code (BGB). Neither will it apply in cases of death, physical injury or harm to human health, deliberate or grossly negligent breach of obligations on the part of the supplier or where defects have been fraudulently concealed. The statutory provisions on the

suspension, interruption and recommencement of deadline periods will remain unaffected. In cases of damages claims under the terms of the German Product Liability Act, the statutory expiry provisions will apply. The statutory expiry provisions will also apply in cases of deliberate and grossly negligent breaches of duty.

15. Place of Fulfilment and place of Jurisdiction

- a) If the customer is a registered merchant, the place of jurisdiction will be that which is responsible for the registered offices of the supplier. However, we will also be entitled to bring legal action against the customer at the court at the location of the customers registered offices.
- b) Unless otherwise stated in the confirmation of the order, the place of fulfilment for our services is the location of our supply plant. The place of fulfilment for payment obligations is the location of the registered offices of the supplier.

16. Applicable Law

The legal relationships between the parties will be based solely on German law to the exclusion of the provisions of the UN Convention on the International Sale of Goods (UNCITRAL/CISG).

17. Partial Nullity

Should individual provisions in these supply and payment conditions be wholly or partially invalid or void, the parties to the contract will undertake to agree to a provision which to a large extent achieves the intended spirit and purpose of the contract and which would have been achieved with the invalid or void provision.

18. Partnership Clause

In the case of compensation payments, in particular concerning the amount of compensation, appropriate consideration should also be taken of good faith, the financial situation of the other party to the contract, the type and extent of the business relationship and the value of the goods.