

## General Terms and Conditions for Sale and Delivery

### 1. Order Placement, Conflicting Provisions

- 1.1 PrehKeyTec supplies all goods and provides all services exclusively subject to the following terms and conditions and those specific conditions of which Purchaser has been notified.
- 1.2 Purchaser's general terms and conditions do not apply unless expressly confirmed by PrehKeyTec in writing. Neither the failure to object to Purchaser's general terms and conditions nor the supply of goods or provision of services shall be construed as a consent to other general terms and conditions than PrehKeyTec General Terms and Conditions for Sale and Delivery.

### 2. Offer Quotation

- 2.1 PrehKeyTec's offer is subject to change without notice, unless otherwise provided for in the order confirmation.
- 2.2 We reserve all proprietary rights and copyrights to illustrations, drawings, and other material made available to Purchaser. This material shall not be used for any other purposes than those specified by PrehKeyTec and shall not be made available to third parties. In particular, this applies to any written records that are designated as "confidential". Purchaser shall obtain PrehKeyTec's express written consent prior to any transfer of this information.

### 3. Prices

- 3.1 All prices are quoted ex works excluding packaging.
- 3.2 PrehKeyTec reserves the right to adjust its prices if after the execution of this Agreement cost increases or decreases occur, in particular because of collective bargaining agreements or raw material price changes. Upon request, we shall provide evidence thereof to Purchaser.

### 4. Delivery

- 4.1 Compliance with the agreed upon delivery periods or dates is conditioned upon the timely receipt of all material, required approvals and releases, in particular of plan, to be made available by Purchaser as well as compliance with agreed upon terms of payment and other obligations on the part of Purchaser. If these conditions precedent are not fulfilled the delivery periods shall be extended for a reasonable time period. This provision shall not apply if we are responsible for the delay.
- 4.2 Force majeure, labor unrest, riots, government actions, failure of PrehKeyTec's suppliers to make delivery and other, unforeseeable, unavoidable, material events release the parties from their contractual duties during the time the interruption persists and for the duration of this event. The same applies, if these events occur at a time during which the party affected is in default. The party affected shall provide the other party immediately with the necessary information to the extent this can be reasonably expected and shall adjust its obligations to the changed conditions in good faith.
- 4.3 Purchaser's claims to damages vis-à-vis PrehKeyTec based on default are excluded in any and all cases of delayed shipments or services, including after the expiration of a grace period that has been granted. This shall not apply to the extent that PrehKeyTec has caused the delay intentionally or in a grossly negligent manner, or to the extent that PrehKeyTec is liable for personal injury. This provision does not change the burden of proof to the disadvantage of Purchaser. The statutory right to rescind the agreement remains unaffected provided, however, that Purchaser may only rescind the agreement in accordance with the statutory provisions to the extent that PrehKeyTec is responsible for the delayed shipment.
- 4.4 Partial shipments shall be permissible. If a partial shipment is delayed, Purchaser shall not assert any claims resulting from this delay which are also based on the remaining partial shipment(s), unless the partial performance is of no benefit to the Purchaser.
- 4.5 PrehKeyTec makes deliveries ex works, unless the parties agree otherwise in a specific case. The risk of loss passes to Purchaser at the time Purchaser is notified of the readiness for shipment, but no later than at the time when the goods leave the shipping plant. This provision shall also apply, if PrehKeyTec is responsible for the shipment of the goods. PrehKeyTec shall take out a transport damage insurance at Purchaser's cost, if the parties specifically agree upon such an insurance policy.
- 4.6 Packing costs will be charged at cost price. For cardboard boxes which are returned in reusable condition an amount of up to 2/3 of the invoiced which will almost entirely be credited again provided that the packing material is returned in proper condition.

### 5. Supplies Obtained by PrehKeyTec

PrehKeyTec has the right to postpone delivery and/or to cancel PrehKeyTec's delivery obligations, if PrehKeyTec is unable to obtain the adequate supplies in a timely manner for reasons for which PrehKeyTec is not responsible.

### 6. Liability for Material Defects

- 6.1 Purchaser shall inspect the goods immediately and notify PrehKeyTec any defects in writing. PrehKeyTec shall be notified of hidden defects in writing immediately after their discovery.
- 6.2 Purchaser shall not process the goods Purchaser has complained about until the complaint has settled. PrehKeyTec shall be given the opportunity to inspect the defective goods. Unless otherwise provided, the goods Purchaser has complained about shall be sent to PrehKeyTec upon PrehKeyTec's request.
- 6.3 All samples goods made available to Purchaser are supplied for its orientation or information. Irrespective of these samples, PrehKeyTec shall have the right to make shipments within customary tolerances.
- 6.4 In case of material defects, PrehKeyTec shall, in its discretion, remove the defect or supply goods free of any defects, to the extent that the material defect existed at the same time of the passage of the risk. If PrehKeyTec fails to re-perform the contract, Purchaser may reduce the contract price or rescind the agreement, irrespective of any claims for damages under § 9. Purchaser's claims related to expenses incurred at the time of re-performance, in particular, transportation, travel, labour and material expenses, are excluded to the extent that additional expenses are incurred due to the fact that the supplies were moved to another location outside of Purchaser's site, unless this re-location is in compliance with their intended use.
- 6.5 Purchaser's statutory rights of recourse in accordance with §§ 478, 479 BGB shall only exist to the extent that Purchaser has not entered into any agreements with its clients beyond the statutory claims involving defects. Purchaser's rights to recourse against PrehKeyTec are limited to the contract amount.
- 6.6 The statute of limitations for material defects shall be 12 months, starting at the time of passage of the ownership and risk. If the goods supplied by PrehKeyTec are installed in a machine, the claims shall be statutorily barred after 12 (twelve) month from commissioning, but no later fifteen (15) months form delivery.

### 7. Payment Terms

- 7.1 Unless otherwise agreed, our prices are understood as follows: if payment is made within ten (10) days after delivery > two per cent (2%) discount, or if payment is made within thirty (30) days after delivery > net payment. The Customer shall only entitled to set off any counterclaims if it has been found by a competent court that the Customer's counterclaims are legally enforceable claims or if such counterclaims have been legally recognized by our Company. In addition, the Customer shall have a retention right provided that any counterclaim asserted by the Customer is based on the existing contractual relationship.
- 7.2 If the parties agree on a cash discount for short-term payment, this discount shall be deducted from the next invoice amount excluding incidental costs. In any event, this discount may only be deducted, if all other claims arising from the business relationship that are older than 30 days (cf. par. 7.1) have been settled.
- 7.3 Notwithstanding a conflicting provision of Purchaser, PrehKeyTec shall have the right to specify the order in which the claims will be settled, if more than one invoice are outstanding.

### 8. Retention of Title

- 8.1 PrehKeyTec reserves title to all goods supplied until all existing claims from the business relationship between PrehKeyTec and Purchaser have been settled ("Retained Goods"). If insolvency proceedings against the assets of 8.2 Purchaser are instituted, PrehKeyTec reserves the right to rescind the agreement. If Purchaser violates its contractual duties, in particular, if Purchaser is in default with its payments, PrehKeyTec may rescind the agreement and such actions or the attachment of the retained goods shall not constitute the rescission of the agreement unless PrehKeyTec has expressly declared its intent to rescind. Purchaser shall store the retained goods separately and identify them accordingly. Purchaser shall handle the retained goods with due care, in particular, it shall insure the replacement value of the goods against fire, water damage, or theft at its expense. To the extent maintenance and inspection tasks are required, Purchaser shall carry out these tasks in due time as its expense.
- 8.3 In the case of attachment, seizure, or other third party decree or intervention, Purchaser shall notify us immediately.
- 8.4 Purchaser may resell the retained goods in its normal course of business, but Purchaser agrees to assign all claims Purchaser may have against its customers or third parties in the amount of the invoice total of PrehKeyTec's claims to PrehKeyTec, irrespective of the fact whether the retained goods have been resold without or after further processing. Notwithstanding the assignment, Purchaser shall have the right to collect the claims, but PrehKeyTec's right to collect the claims shall remain unaffected. However, PrehKeyTec agrees not to collect the claim as long as Purchaser honours its payment obligations using the proceeds collected, is not in default with its payments, no insolvency proceedings have been instituted, and Purchaser has not suspended its payments. In these cases PrehKeyTec may request Purchaser to disclose assigned claims and their debtors to PrehKeyTec, to provide all information required for the collection of the claim, to provide all related records and to notify the debtors (third parties) if the assignment.
- 8.5 Purchaser processes or transforms the retained goods without creating any obligation for PrehKeyTec. If Purchaser combines, mixes, or processes the goods to which PrehKeyTec reserves title, PrehKeyTec acquires ownership rights in the new object pro rata to the value of the retained goods (invoice total) to the other processed, combined, or mixed items at the time of processing, combining, or mixture. In addition, the same provisions shall apply to any objects created by processing or combining goods to which PrehKeyTec reserves title. If mixing is carried out in such a manner that Purchaser's object constitutes the main object, the parties agree that Purchaser grants PrehKeyTec pro-rata ownership rights. Purchaser shall hold the thus created exclusive or joint property in custody on behalf for PrehKeyTec.
- 8.6 If the value of the security interests granted to PrehKeyTec exceeds PrehKeyTec's claims by more than 20%, PrehKeyTec shall release in its discretion the exceeding security interests at Purchaser's request.
- 8.7 If and to the extent the registration and/or compliance with other requirements is a condition precedent for the validity of the retention of title, Purchaser shall immediately take all necessary measures at its expense and give all required notices.
- 8.8 If and to the extent the governing law does not permit any provisions regarding the retention of title, Purchaser shall provide other reasonable collateral if Purchaser intends to make use of a credit.

### 9. Other Claims to Damages

- 9.1 Claims for damages by Purchaser, regardless of the legal cause, in particular, claims arising from a violation of obligations and from tort, are excluded.
- 9.2 This shall not apply to the extent that the parties are subject to statutory liability, e.g., pursuant to the Product Liability Act, or in case of wilful misconduct or gross negligence, or in case of death, personal injury or health related damages, or for the violation of a material duty. Claims for damages related to the violation of a material duty are limited to the typical, foreseeable damages, unless the damages have been caused by wilful misconduct or gross negligence or in case of death, personal injury or health related damages. This provision does not change the burden of proof to the disadvantage of Purchaser.
- 9.3 To the extent that Purchaser is entitled to claims for damages under this § 9, these shall become statutorily barred upon the expiration of the statute of limitations set forth in 6.6, unless otherwise provided by mandatory statutory provisions.
- 9.4 To the extent that PrehKeyTec's liability for damages is excluded or limited, this also applies to the personal liability for damages caused by PrehKeyTec's employees, representatives, or vicarious agents.

### 10. Third Party rights

- 10.1 If a third party asserts justified claims against Purchaser that are based on the violation of an industrial property right or copyright ("protected rights") by any product that has been supplied by PrehKeyTec and is being used in accordance with the agreement, PrehKeyTec shall be liable to Purchaser as follows:
  - 10.1.1 PrehKeyTec shall in its discretion and at its expense either acquire the right to use for the product, change the product in such a manner that the protected right is not violated, or replace the product. If PrehKeyTec cannot reasonably be expected to do so, PrehKeyTec shall take back the products and refund the purchase price.
  - 10.1.2 The obligations set forth above shall only exist to the extent that Purchaser immediately notifies PrehKeyTec in writing of any claims asserted by third parties, does not recognise the violation, and that PrehKeyTec shall be in charge of all measures required for the defence or settlement of the claim. If Purchaser discontinues the use of the products in an attempt to reduce damages or for any other material reason, Purchaser shall inform the third party that the discontinued use does not imply that Purchaser recognises the violation of a protected right.
- 10.2 Purchaser's claims shall be excluded to the extent that it is responsible for the violation of a protected right or to the extent that the violation of protected rights was caused by Purchaser's specifications, by a kind of application that was not foreseeable for PrehKeyTec, or by the fact the product was changed by Purchaser or used in combination with products that were not supplied by PrehKeyTec.
- 10.3 In any of these cases referred to in par. 10.2, Purchaser shall hold harmless from and against all third party claims.
- 10.4 Any further claims against PrehKeyTec are excluded, provided, however, that § 9 (Liability) and Purchaser's right to rescind the agreement shall remain unaffected.
- 10.5 In case any other defects of title should exist, the provisions set forth in § 6 shall apply accordingly.

### 11. Production Means, Tools, Forming Means

- 11.1 To the extent that Purchaser provides production means to PrehKeyTec, Purchaser shall send these to PrehKeyTec free of charge. PrehKeyTec shall only be liable for the loss, deterioration, or incomplete return of these production means and for any resulting damages, if PrehKeyTec has acted intentionally or negligently. This provision shall not apply if the parties are subject to statutory liability.
- 11.2 If the production means are manufactured or purchased by PrehKeyTec at Purchaser's request, PrehKeyTec shall invoice them separately on a pro rata basis. If a tool is not fully used, Purchaser shall assume the costs that have not been recovered, as well as any other expenses for type-specific devices. Costs for models shall be paid entirely by Purchaser. The production means remain the property of PrehKeyTec. PrehKeyTec is not obligated to return them to Purchaser. The same applies to all other tools subsequently manufactured or purchased.
- 11.3 Purchaser shall neither furnish drawings or records provided to it by PrehKeyTec, nor our proposals regarding the most beneficial design and the manufacture of the parts to third parties. PrehKeyTec may request their return at any time.

### 12. Assembly and Repairs

- 12.1 The present General Terms and Conditions shall apply to assembly and repairs as appropriate.
- 12.2 The provision of engineers, technicians, etc. shall be invoiced separately.
- 12.3 Customer shall take all measures required for the immediate deployment of the personnel made available by PrehKeyTec. In case of delays all resulting costs for waiting time and additional travel shall be borne by Customer, even if the parties agreed to make the personnel available free of charge.

### 13. Governing Law, Place of Performance, Jurisdiction

- 13.1 Bad Neustadt a.d.S., Germany, shall be the place of performance for all payments. With regard to PrehKeyTec's obligations the shipping plant shall be the place of performance.
- 13.2 Venue shall be Bad Neustadt a.d.S., Germany. PrehKeyTec reserves the right to institute legal proceedings against Purchaser at Purchaser's venue.
- 13.3 This Agreement and the legal relationship between Purchaser and PrehKeyTec shall be governed exclusively by the substantive law of the Federal Republic of Germany, excluding the conflict of law rules. The UN Convention on the International Sale of Goods (CISG) shall not apply. The delivery clauses shall be interpreted and construed based on the INCOTERMS 2000.

### 14. Severability

If any provision of this agreement should become invalid, this does not affect the validity of the remaining provisions.

### 15. Data Storage

PrehKeyTec stores data in accordance with the applicable Data Protection Acts.