



Wehrstraße 15+27
D – 78727 Oberndorf a.N.
Phone: +49 7423 9298-0
Fax: +49 7423 9298-55

General Terms and Conditions of Sale for Supplies and Services of FKB GmbH, as of January 2018

I. Conclusion of the contract

1. The following Terms and Conditions of Sale shall apply to all our offers, deliveries and services, including all information and advice. Unless explicitly agreed otherwise, they shall also apply to all future business relations with customers even if we do not explicitly refer to them again when the individual contract is concluded.

2. Deviating terms and conditions of the Customer shall not apply even if we do not explicitly object to them once again. An unconditional acceptance of payments shall not be construed as an acceptance of the Customer's terms and conditions by our company. Any additions, modifications or ancillary agreements shall require our written confirmation to become effective. This shall also apply to any waiver of this requirement of written form.

3. Our offers shall be subject to confirmation unless a period of validity has been explicitly agreed. A contract shall only become effective if we confirm the Customer's order in writing or if we provide the delivery or service per order without separate confirmation.

II. Dates and deadlines

1. The dates and deadlines for our deliveries and services shall not be binding unless explicitly agreed otherwise in writing. The deadlines shall start only if an agreement has been reached with respect to all details of the execution, the Customer has provided all information, documentation and materials which he is obligated to supply and – as far as payment in advance or down payment has been agreed - the agreed price or down payment has been received. If the Customer fails to cooperate or requests any modifications to the order, this shall lead to an adequate postponement of dates or extension of deadlines.

2. Even if a reminder is sufficient according to legislation or not required by law, we shall not be in default before an adequate extension set in writing has passed.

3. Unforeseeable and inevitable events (e.g. war, conditions similar to war, shortage of power or raw materials, sabotage, strike) as well as any other circumstances beyond our control shall release us from the obligation to deliver or perform for as long as these events persist, even if they occur during an already existing default in delivery. The dates or deadlines shall be adequately postponed or extended as a result of these circumstances. This shall also apply if supplies and services of our suppliers have not been made in due time or in the correct way, unless we are responsible for such circumstances.

III. Prices and terms of payment

1. Our prices are net prices ex works (EXW, INCOTERMS® 2010).

2. If there are more than four months between conclusion of the contract and performance, and if market price or our production costs have increased until the moment of performance, we are entitled to increase the price by a reasonable amount. If the new price is (more than) 10% higher than the agreed price, the Customer is entitled to rescind the contract. This right must be claimed promptly after having been informed of the higher price.

3. Unless explicitly agreed otherwise in writing, all payments shall be due within 14 days with a cash discount of 2 % or without deduction 30 days after the date of receipt of the supply and invoice at the Customer's. The date of receipt of the payment is decisive for the payment to be deemed in time. Checks shall only be accepted if this has been agreed and only on account of performance. In these cases, the payment shall be considered as settled only when the amount in question is finally at our disposal. All costs arising in connection

with the payment shall be borne by the Customer exclusively.

4. Default in payment starts on the 31st day after receipt of delivery and invoice, without additional reminder. If the date of receipt of the invoice is not clear, the Customer shall be in default at the latest on the 31st day after receipt of the delivery and after the due date determined based on the payment conditions.

5. If the Customer is in default of payment, we are entitled to claim interest on arrears at the statutory rate. Assertion of any further damage is not excluded. After written information sent to the Customer, we may also stop fulfilling our obligations until we have received the payment. Section 353 of the German Commercial Code (HGB) shall remain unaffected.

6. The Customer shall be entitled to offset or retain payments only if his counter-claims are final and conclusive, undisputed or acknowledged by us.

7. An assignment of the Customer's claims towards us to a third party shall only be admissible if we have given our explicit written consent. Section 354a of the German Commercial Code (HGB) shall remain unaffected.

8. We retain the right to request in writing down payment or a security deposit equal to the invoice value of the delivery if circumstances arise subsequently or we become aware of circumstances due to which our payment claim is at risk, with any deadlines and dates being extended or postponed correspondingly. If the Customer does not effect down payment or a security deposit within an adequate period after having been requested in writing to do so, we shall be entitled to rescind the contract without further grace period. If we have already delivered, we may request immediate payment of our invoice, differing from no. 3.

IV. Delivery and passing of the risk

1. Unless otherwise stated in the contract, the place of performance is our place of business. The risk of accidental loss or accidental deterioration of the goods shall pass to the Customer when the goods are handed over to the first freight forwarder. This shall also apply to partial deliveries or if we assume responsibility for additional services (e.g. shipment or shipping costs).

2. We are entitled to deliver or perform in parts unless the Customer does not have a clear interest in partial deliveries or partial performances or they can clearly not be requested of him in a reasonable way.

3. If delivery is delayed due to reasons the Customer is responsible for, he shall bear the costs for the unsuccessful offer as well as for storage at the delivery factory or at a warehouse of our choice. In these cases, the risk of accidental loss or accidental deterioration of the goods shall pass to the Customer when the ready-for-dispatch note is issued.

V. Production according to the Customer's instructions

1. In case of manufacture according to the drawings, samples and other instructions of the Customer, we do not assume any warranty and liability for the fitness for purpose of the product, the suitability for a specific purpose and for other properties, as far as these are based on the Customer instructions.

2. The Customer indemnifies us from all third party claims, including product liability claims, for damages caused by the products, insofar as these are caused by Customer drawings, samples and other instructions of the Customer.

3. The Customer shall warrant that the production, delivery and use of the goods produced on the basis of his instructions do not violate any property rights of a third party. If a third party raises any claims towards us on grounds of property rights, we shall be entitled to withdraw from the contract after consultation with the Customer unless the third party revokes the assertion of its property rights in a written statement submitted to us. The Customer shall be obligated to reimburse us the damage and the costs we incur because of the assertion of property rights. In case of a withdrawal, the work already executed by us in connection with the product or the service must be paid by the Customer as invoiced by us.

4. The molds, tools and construction tools ("production materials") which are manufactured by us or at our request and which are required to execute the purchase order are our exclusive property. The Customer is not entitled to any right to these, even if he has contributed

to the manufacturing costs of the production materials. We are entitled to destroy the production materials at the latest 5 years after executing the last purchase order for the Customer, unless otherwise agreed in writing.

5. We reserve the property, copyright and other intellectual property rights in all documents transferred or handed over to the Customer. They may not be disclosed to third parties or used commercially, and they shall be returned to us on request together with all copies and reproductions made.

VI. Material provided by the Customer

If the Customer provides parts, material or other substances for his purchase order to be executed, the Customer shall be responsible for their usability. Unless explicitly agreed otherwise in writing, we shall not perform an incoming goods inspection and suitability check. If the material provided by the Customer is useless or unsuitable for the purchase order and this is not obvious for us, the Customer is not entitled to any warranty or liability claims against us. Furthermore, the Customer shall replace us the damage caused by the uselessness or unsuitability of the material, unless he is not responsible for uselessness or unsuitability.

VII. Technical modifications and quantity deviations

1. Unless explicitly agreed otherwise, we reserve the right to technically required or appropriate modifications (in particular, of construction, selected material, specification, type).

2. When manufacturing special alloys, there may be variations in output for manufacturing reasons. Therefore, excess or short deliveries up to 10% of the ordered quantity for reasons of production are permitted; this applies both to total and individual partial quantities. The total price changes according to the volume.

VIII. Warranty and incoming goods inspection

1. In the context of the following provisions, we shall warrant that the products delivered and the services performed, at the moment of the passing of the risk, are free from material defects or defects of title. Defective products or services shall be repaired, delivered new or rendered new free of charge at our choice. We shall not be liable for wear and tear due to normal operation or for defects caused by inappropriate use, inadequate handling and storage or by non-observance of the manufacturer's documentation or the installation and mounting instructions.

2. Unless agreed otherwise in writing, the information about our products, in particular the figures, drawings, technical data and references to standards and specifications contained in our offers and brochures, shall not constitute any warranties of quality and/or durability within the meaning of Section 443 of the German Civil Code (BGB), they are rather meant to be descriptions and characterizations. The same shall apply to the delivery of specimens or samples.

3. Warranty rights of the Customer presuppose that he has duly complied with his inspection and complaint obligations pursuant to Section 377 of the German Commercial Code (HGB). Any complaints with regard to number of pieces, weight or quality shall be notified to us in writing immediately after having detected them, but at the latest one week after having received the delivery, notwithstanding any earlier legal notification duty.

4. Customer's claims for defects become time-barred within 12 months. This shall not apply if longer periods are stipulated by law, in particular for goods that, acc. to their usual purpose, are used in a building and which have caused the defectiveness of the building. Sentence 1 does neither apply for damage resulting from injury to life, body or health, from intent or gross negligence, in case of a guarantee with regard to the existence of a property, in case of breach of essential contractual obligations (these are obligations that have to be fulfilled for a proper execution of the contract in the first place and in the fulfillment of which the Customer regularly trusts and may trust), for claims arising out of the German Product Liability Act (ProdHaftG) as well as for our obligation to replace the expenses required for supplementary performance according to Section 439 paragraph 3 of the German Civil Code (BGB).

5. We bear all costs required for the purpose of supplementary performance (in particular, transport, shipping, labor and material costs). Insofar as expenses are increased because of the fact that the objects were

moved to another place than the place of delivery after having been delivered, the Customer shall bear the extra cost, unless the transport corresponds to their intended purpose. In case of supplementary performance, the Customer shall make this promptly possible for us and make the objected goods available to us for inspection and processing.

6. Any costs incurred due to unjustified complaints shall be borne by the Customer, unless he is not responsible for the unjustified complaint. Lump-sum cost charges for complaints shall not be accepted.

7. After failed repair or replacement, the Customer shall be entitled to claim decrease of the remuneration or to rescind the contract, notwithstanding any claims for damages.

8. There is no right to claims for defects in case of insignificant deviation from the agreed quality and only insignificant impairment of the usability.

9. Unless otherwise agreed in these Terms and Conditions of Sale, any further claims shall be excluded.

IX . Retention of title

1. We shall reserve the title to the goods delivered as well as to the objects created by processing or transforming these goods (goods subject to retention of title) until all and any of our present and future claims towards the Customer - also those that are constituted after conclusion of the contract - have been settled in their entirety. For current account claims the goods subject to retention of title serve as a security for our balance claims.

2. Processing or treatment is only permitted in the ordinary course of business and shall then be carried out by the Customer for us without any obligations for us arising thereof. If processing is done by combining with other materials, we shall acquire co-ownership in the new goods in proportion of the gross purchase price agreed between the Customer and us to the value of the other materials. The Customer herewith assigns us his co-ownership arising out of any combination, mixing or blending of the reserved goods with other materials. We hereby accept this assignment.

3. The Customer shall be the custodian for all goods that are our sole or joint property and shall store them with the due diligence of an ordinary businessman. If he takes out insurances for the reserved goods, he herewith assigns us his rights arising out of the insurance contracts, in case of co-ownership, in the proportion of our co-ownership share compared to all co-ownership shares. We hereby accept this assignment.

4. The Customer is only entitled to dispose of the reserved goods in case of sale in the ordinary course of business, and only if it is guaranteed that all receivables arising out of it are assigned to us. He is not entitled to any other disposal (in particular, pledges and security assignments).

5. The Customer herewith assigns to us as security all receivables arising out of the sale of the reserved goods or any other legal ground in relation to the reserved goods. If the assigned claim is part of an open invoice, the Customer hereby assigns to us part of his balance claim, including the closing balance, in the amount of his receivables for resale. If he sells the goods subject to retention of title after processing or transforming them or after combining, mixing or mingling them with other products or if he sells them together with other products, it is agreed that the assignment of the claim shall amount to the part corresponding to the gross price agreed between us and the Customer plus a security margin of 20 % of this price. We hereby accept the assignments. The Customer shall be entitled to collect the claims assigned to us.

6. The right to dispose of the reserved goods and the right to collect the receivables assigned to us may be revoked at any time if the Customer fails to properly fulfill his obligations to us.

7. The Customer shall be obligated to provide us at any time all information we desire with respect to the goods subject to retention of title and the claims assigned to us and to submit the corresponding documents to us. At our request, the Customer must inform the debtors about this assignment.

8. If a third party has access to or raises claims concerning the goods subject to retention of title (including any enforcement measures), the Customer must inform us immediately and provide the relevant documents to us. He shall inform third parties without delay about our

retention of title and the assignment by way of security. Any costs for such actions shall be borne by the Customer.

9. If the Customer is in default of payment or violates his obligations arising from these Terms and Conditions, we shall be entitled - notwithstanding our other rights - to take back the products subject to retention of title, to disclose the transfer by way of security and to realize the claims assigned to us for satisfying the Customer's outstanding debts towards us. In such a case, the Customer shall immediately grant access to the reserved goods and hand them over to us or our authorized agents. Our request to return the goods or a seizure initiated by us as an enforcement measure shall not be considered as a withdrawal from the contract.

X. Claims for damages, limitation of liability

1. Any claims for damages on the part of the Customer, irrespective of the legal cause, in particular for violation of contractual obligations and for tortious act shall be excluded.

2. This shall not apply to damage resulting from injury to life, body or health, from intent or gross negligence, in case of a guarantee with regard to the existence of a property, in case of breach of essential contractual obligations (these are obligations that have to be fulfilled for a proper execution of the contract in the first place and in the fulfillment of which the Customer regularly trusts and may trust) and for claims arising out of the German Product Liability Act (ProdHaftG). Exclusion of liability shall not apply either for our obligation to replace the expenses required for supplementary performance according to Section 439 paragraph 3 of the German Civil Code (BGB).

3. In case of culpable breach of essential contractual duties, we shall be liable for the contractual, reasonably foreseeable damage.

4. The Customer is only entitled to any recourse claims against us to the extent that the Customer has not made any agreements with his customer beyond the statutory rights.

5. As far as our liability for compensation is excluded or restricted, this shall also apply to the personal liability of our staff, workers, employees, representatives and vicarious agents.

6. The preceding regulations do not imply any change in the burden of proof to the detriment of the Customer.

XI. Software use

1. As far as software is included in the delivery, the Customer shall be granted the non-exclusive right to use the software and the corresponding documentation. Its use shall be permitted on the items delivered that are meant for this purpose. Any further use of the software shall not be allowed.

2. The ordering party may only duplicate, edit, translate or reverse engineer the software to the legally permissible extent (sections 69a et seqq. of the German Copyright Act [UrhG]). The ordering party undertakes not to remove nor to change any manufacturer information - in particular, copyright notes - without our prior express consent.

3. All other rights in the software and documentation, including copies, remain with us and/or the software supplier. Any granting of sub-licenses shall not be permitted.

XII. Final provisions

1. Our contracts and these General Terms and Conditions of Sale shall exclusively be governed by German law, under exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

2. Should individual provisions of a contract or these Terms and Conditions of Sale be invalid, this shall not affect the validity of the remaining provisions. Any invalid provision shall be replaced by a valid provision which comes closest to the purpose of the invalid one.

3. The exclusive legal venue for all disputes from and in connection with this contract is Rottweil. We shall, however, be entitled to sue the Customer at his place of business.