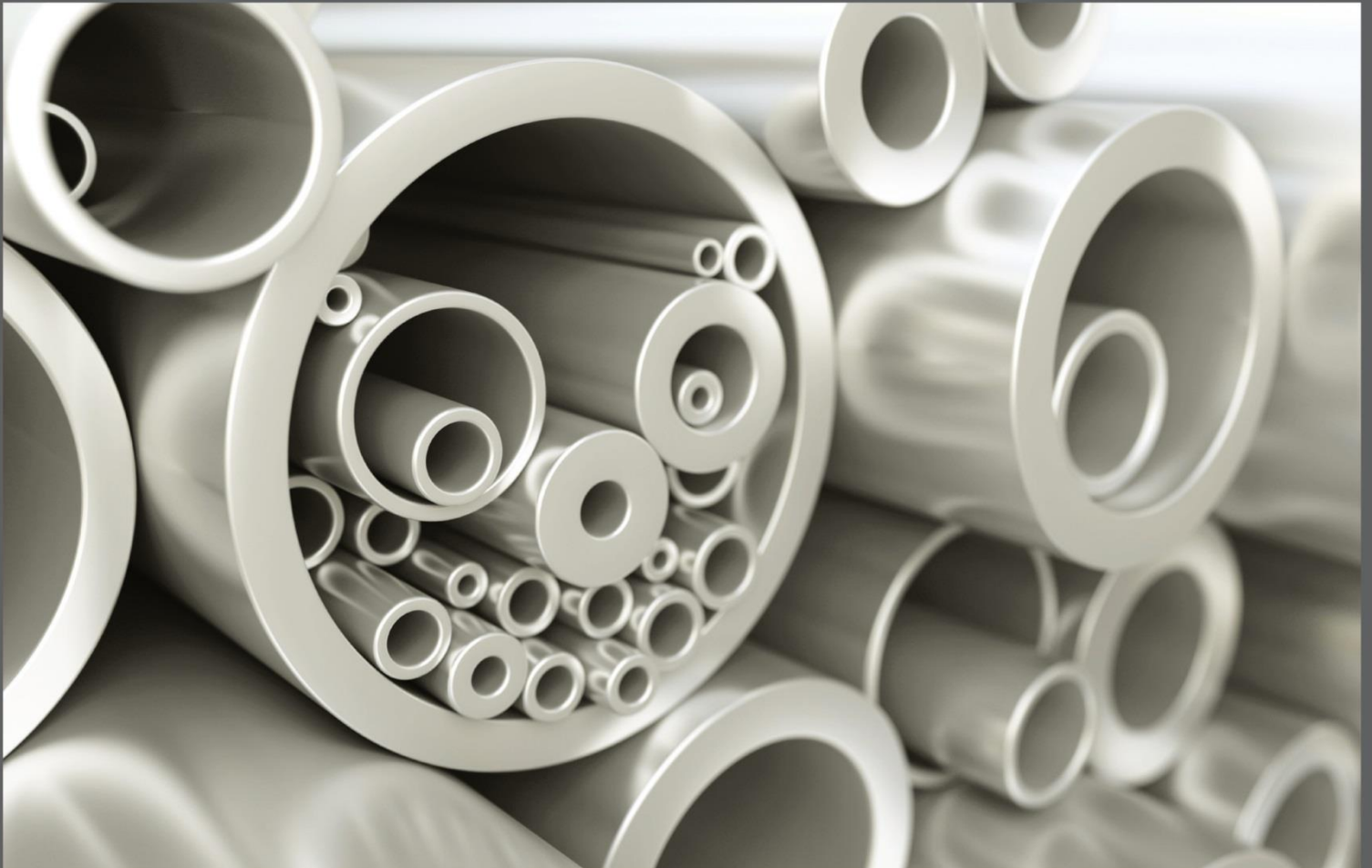


GENERAL STANDARD TERMS & CONDITIONS OF SALE AND DELIVERY (VERSION FEBRUARY 2018)



STANDARD TERMS AND CONDITIONS OF SALE AND DELIVERY

1. Scope

All our contracts for the sale of goods are based on these General Standard Terms and Conditions of Sale and Delivery (GST). The same are applicable in relation to entrepreneurs, public law entities and separate funds under public law.

For customers with registered office outside of the Federal Republic of Germany item 22 of our GST will be the only one applicable. Our GST shall be applicable exclusively. To bind us we must have confirmed contradicting or deviating terms in writing before.

2. Formation of contract

Our offers as well as the details and information we provide are subject to change without notice and without engagement.

By way of his order customer binds himself wishing to procure from us the goods ordered (offer to enter into a contract). We are privileged to accept such offer to enter into a contract within a period of two weeks to be counted from the day we have received such offer. The acceptance may be expressed either by way of an order confirmation in writing or as text or by a direct shipment of the goods ordered. In the electronic legal relations the confirmation of having received an order represents no declaration of acceptance that would bind us.

Inasmuch as an order confirmation has been issued about the scope of our performance the same shall be the only one binding us. In the absence of an order confirmation in writing our offer shall prevail. Deviations in dimension, weight and quality in material and workmanship are permissible within the frame of the DIN standards applicable at the time. Obvious errors, spelling and calculating mistakes in documents, drawings and plans we provide shall not bind us. In such a case we are obligated to notify the customer about such errors enabling him to correct and/or renew the same in the order. This shall apply accordingly in the case of missing documents or drawings.

3. Prices

Our prices are net prices ex works excluding packaging, insurance and shipping. We are authorised to apply surcharges for small consignments. Other than that the price shall be effective as has been mentioned in our order confirmation. The prices confirmed for one order do not bind us for reorders of similar parts. Whenever goods are invoiced on the base of their weight the weight we have established shall be the effective one. The presentation of the weight card shall be considered as proof.

Whenever goods are invoiced on the base of metal prices, the metal price base on the date of the order confirmation shall prevail. For reasons of scrap the metal price basis for tube products will be 25% above the value listed at the commodity exchange. The surcharge for alloys on tube products is 25% above the surcharge for alloys on tubes.

STANDARD TERMS AND CONDITIONS OF SALE AND DELIVERY

The payment for the goods shall be made net within 30 days of the invoice date, unless a different term of payment has been agreed expressly. For the case that we are to perform later than four weeks after conclusion of contract we shall be entitled to a reasonable adaptation of our prices up to 10% in the case of significant fluctuations in our cost of processing, in particular the cost of materials we are to process, wages, freight rates, cost of energy, taxes, customs duties, etc. Any price adaptation in excess of 10% requires the customer to commence negotiations with us about a reasonable adaptation of the price. Any failure to agree on a price adaptation or discontinuance of negotiations entitles us to withdraw from the contract.

Any setoff with outstanding accounts has been allowed for those accounts only, which have stayed uncontested or non-appealable. The prohibition to set off does not apply in a case where the counter claim is raised for remedying defects or the cost of completion.

4. Delay in payment

In accordance with § 288 sec. 2 of the German Civil Code we are entitled to demand interest on arrears in the legal amount as of the accrual date. The assertion of further damage remains unaffected thereby.

5. Delivery

Our shipments are made ex works in compliance with Incoterms 2000. The volume and the date of delivery can be learned from the order confirmation. Periods of delivery commence no sooner than after all order execution details have been clarified.

We select the mode of shipment. This does not apply in a case where the customer has provided expressive instructions. Deviating agreements are possible, provided they have been agreed in writing or as a text. Partial shipments have been allowed and will be invoiced separately.

Our obligation to deliver is subject to the reservation that we have received incoming goods on time and as specified. This does not apply when we are culpable for the outstanding deliveries. When a congruent covering transaction has been concluded the irrefutable presumption is made that we are not responsible for the outstanding delivery. When it becomes apparent that a delivery cannot be made in time we will inform the customer in writing stating reasons for this, as well as the anticipated period of delivery, inasmuch as we are in a position to do so. We will be in default of delivery no sooner than after a reasonable period of grace has been allowed to us for the delivery, which has failed to be effective, when the reasons for the outstanding delivery are our responsibility, and when the customer has fully performed his obligations.

The period of delivery commences with the ready-for-shipment or ready-to-be-picked-up notification we have provided under the reservation that the counter-performance has been effected. Inasmuch as an acceptance procedure has to be followed the ready-for-acceptance or the acceptance date notification shall prevail.

STANDARD TERMS AND CONDITIONS OF SALE AND DELIVERY

6. Delivery volumes, call orders

Our products are bulk articles. For this reason excess deliveries or short deliveries up to 10%, for very small volumes not exceeding 1,000 pieces up to 20% of the volume ordered or called, are usual in this sector of industry and shall be considered a contractual fulfilment.

For orders with continuous deliveries, as called, we shall be informed about the volumes to be called at the time the order is placed. We avail of the right to produce the total volume, as ordered, concurring with our production planning at any time during the requested time of delivery, unless agreements to the contrary have been concluded. Has the total volume been produced then it will be impossible to request posterior adjustments for the goods ordered.

The customer has the contractual obligation during the term of the contract to schedule and take delivery of the volume ordered. Has the customer failed to take delivery of the volume ordered during the term of the contract, we are, nevertheless and irrespective of our other legal remedies, entitled to request acceptance of and payment for the entire residual volume. With elapse of the term of contract the customer will be in arrears with the acceptance of that part of the volume ordered, which has not been scheduled and called.

Has no volume been fixed for a call and in the case that no schedule has been received in the usual period of time, this shall entitle us to set a time limit for a further call and after its fruitless elapse we shall be entitled, irrespective of our other legal remedies, to request acceptance of and payment for the entire residual volume ordered.

A fair adjustment of prices in case of significant and unforeseeable fluctuations in cost or volume during the term of the call-off order shall be considered as having been agreed. Any amendment of agreed prices for other reasons has been excluded herewith, even the availability of a lower offer by a competitor.

7. Packaging

We reserve the right to make a choice for packaging, unless the customer has given expressive instructions. Transport packaging shall be returned to us in accordance with the Packaging Ordinance. Should there be no return within three months of the delivery we will invoice the same at cost. We do not accept any return of packaging that does not qualify as transport packaging.

8. Passage of risk

The customer shall accept the goods without undue delay as soon as he has received the ready-for-shipment or ready-for pick-up notification. When the customer picks up the goods by himself and in a case where the customer has failed to collect the goods within

STANDARD TERMS AND CONDITIONS OF SALE AND DELIVERY

three days from the date of the ready-for-pick-up notification we shall be entitled to ship or warehouse the goods at our discretion with the cost to be born by the customer.

9. Quality Management

We have installed a Quality Management System that has been certified under DIN-EN ISO 9001. All products undergo continuous monitoring during their production, as specified by our Quality Management Handbook. The customer may obtain information about the kind and scope of the quality controls during the production process. Further inspections than those, which have been defined in our handbook, require a separate agreement in writing. The inspection parameters and inspection methods need to be described at detail.

Our Quality Management System releases the customer in no way from the necessity to proceed with a proper inspection of incoming goods.

10. Customer's specifications

In a case where the planning of the customer contains specifications, which we consider to be critical or not realisable from a production technology point of view, we will inform the customer presenting an alternative proposal. The customer has the obligation to review under his own responsibility our alternative proposal for implementation. We assume no warranty or liability for the aptitude of our alternative proposal.

11. Warranty claims

Warranty claims against us are subject to the customer fulfilling his obligations under § 377 of the Commercial Code, the so-called notification of defects. A notification of defects must be considered as having been provided in due time when it is served within five workdays, to be counted from the arrival of the shipment at the customer's location or, in case of concealed defects, as of their detection. When the customer has accepted the goods or has subjected them to a preliminary inspection the notification of defects has been excluded to such an extent, as it would have been possible to detect the defect at such time. Without undue delay the customer shall return the full lot of the rejected goods to us for inspection by us.

If the notification of defects fails to be justified according to our inspection and, if the customer knew about the non-existence of the defect or was at mistake as to the defect by negligence, then the customer has to make good the damage caused by him. In this respect we will invoice a lump sum of 100,00 EUR. We reserve the right to claim further damages. The customer is entitled to prove to us that the notified defect indeed does exist and/or that we have had costs of inspection, which fall short of the lump sum. Does the notification of defects turn out to be justified, we will provide, at our choice, rectification or replacement. Should the rectification fail after the customer has allowed a fair period of time for it, the customer may, at his discretion, request abatement or withdrawal. No

STANDARD TERMS AND CONDITIONS OF SALE AND DELIVERY

withdrawal has been allowed for minor defects. Warranty claims become time-barred within twelve months from the passage of risk. They cannot be assigned.

12. Exclusion of warranty

Our warranty has been excluded in cases of further processing, unsuitable or unqualified use, the incorrect or improper assembly and/or initial operation by the customer or any third party, the natural wear, the incorrect or negligible treatment, the use of unsuitable operating resources, the effects of chemical, electrochemical or electric influences, unless we are responsible for the same.

The warranty has also been excluded when the order does not comply with state of technological development today. It has been excluded when we have or a person we have employed to perform any of our obligations has declared or discussed by way of technical notes that the order includes risks. The exclusion of warranty does not apply in a case where we, our legal representatives or a person we have employed to perform any of our obligations has caused the damage respectively the defect by intent or gross negligence.

13. Return shipment of goods without right to warranty claims

Return shipments of goods, which have not been caused by defects on our goods, will be accepted after prior consent in writing only. The customer shall bear the cost of the return shipment. We will credit returned goods for the previous purchase prices with a deduction of 15 % for an inspection of the return shipment, storage and commercial handling, which is usual in this sector of industry.

14. Liability

We assume no liability in cases of negligent violation of contractual obligations. For other slightly negligent violations of any of our obligations our liability will be limited to a direct average damage that is predictable and typical under the contract for the kind of goods we deliver. The same shall apply in any act of slight negligence by our legal representatives or a person we have employed to perform any of our obligations. Claims for damages become time-barred within 12 months from the passage of risk. This does not apply in cases where we are held responsible under the Product Liability Law for a violation of life, body or health.

15. Reservation of title to ownership

Up to the complete settlement of all claims we may have against the customer resulting from the business relation we reserve the title to all goods delivered. The customer is entitled to process or remodel the goods delivered. The processing shall be effected in our favour. However, is the value of the goods, which belong to us, lower than that of the goods, which do not belong to us, and/or the processing, then we shall acquire a share in the ownership of the new goods in the ratio of their value (gross invoice value) of the

STANDARD TERMS AND CONDITIONS OF SALE AND DELIVERY

processed goods as compared to the value of other goods processed at the time of their processing. Inasmuch as we do not acquire a share in the ownership of the new goods as of the above, the customer allows to us a share in the ownership of the new goods in the ratio of the value (gross invoice value) to the new goods, which belong to customer, to the other goods processed at the time of their processing. The above sentence shall be applicable accordingly in the case of a non-separable mixing or joining. To the extent we acquire ownership or co-ownership the customer shall keep the goods with the diligence of a prudent businessman.

For the case of a sale of the goods or the new goods the customer herewith assigns to us his claim against his customer resulting from the resale along with all secondary claims as a security requiring no further specific explanations. The assignment shall be applicable inclusive of possible account balances. The assignment, however, is applicable only in the amount of the sum that corresponds to the price for the goods we have invoiced. The share in the accounts receivables assigned to us shall have priority.

Until further notice the customer is authorised to collect the accounts receivables, which have been assigned. The customer shall transfer to us without undue delay payments he has collected on the accounts receivables, which have been assigned, up to the amount of the secured accounts receivables. In the case where legitimate interests exist, in particular in the case of a delay in payment, suspension of payment, opening of insolvency proceedings, bill protest or justified indications for a debt overload or threatening inability to pay on part of the customer, we shall be entitled to revoke customer's right to collect accounts receivables. Furthermore and after prior threat respecting a reasonable deadline we may disclose the assignment for security, utilize the assigned receivables as well as request disclosure of the assignment for security by the customer to his clients.

Upon presentation of prima facie evidence for a special interest the customer shall provide all information that may be required to assert his rights against his clients handing over the required documents.

During the existence of a title to a reservation of ownership the customer shall have no right to pledge or assign for security [goods we have delivered]. The customer shall notify us without undue delay in the case of seizure or arrest or other dispositions or intervention by any third party. The resale of the goods or the new goods has been allowed to resellers in the proper course of business only and under the condition that payment for the goods or the new goods will be made to the customer. The customer shall also agree with his clients that the client will acquire ownership no sooner than after he has made this payment.

In case the customer breaches any of his duties, in particular in the case of a delay in payment, we shall be entitled, even without setting of a deadline, to request the restitution of the goods or the new goods and/or – if required after setting a deadline – to withdraw from the contract; the customer is obligated to a restitution. Requesting the restitution of the goods or new goods means no withdrawal from the contract, unless we have declared this expressly.

STANDARD TERMS AND CONDITIONS OF SALE AND DELIVERY

16. Means of production

Means of production shall be considered all objects, which will be needed to produce parts ordered to drawing or sample. Their intended use is alone to serve in the production process, like e.g. tooling, moulds, templates, which we need to process the order. Unless the customer provides the same, which means that we have to build/prepare them before the order can be processed, and failing another agreement, the same remain in our ownership. Has it been agreed that the customer will assume the cost of their production, in total or in parts, then, in principal, the same will be invoiced separately from the price of the goods.

We will bear the cost for their maintenance and proper storage as well as the risk of damage or destruction of the means of production up to a total production output to be agreed at the time of concluding the contract. The customer shall assume the cost of production of replacements that need to be prepared as a result of wear.

By principal we keep all means of production in our storage for a period of two years after the last delivery to our customer free of charge. After elapse of this period we offer our customer the opportunity to make up his mind within six weeks about a further storage. The obligation to preserve the means of production comes to an end when no comment or new order was received within the six weeks. With any new order that is placed the above-mentioned procedure will recommence.

17. Industrial property rights & copyrights

The customer shall ensure that the goods we produce to his specifications do not violate any third party industrial property right. Should any third party assert a violation of an industrial property right on us for fabrication or delivery of the goods, then the customer shall exempt us from all claims. We will initiate legal action to defend ourselves in such cases only when the customer requests us to do so, always provided he binds himself for the assumption of the cost. We are entitled to request security for litigation costs.

18. Force majeure

In the case of a force majeure we shall be released from the obligation to perform for the duration and extent of the effects. Force majeure is any event, outside of our sphere of influence, which makes it difficult or impossible for us in total or parts to fulfil our obligations. This includes in particular damage caused by fire, flood, interruption of operations, which has not been caused by us, in particular labour disputes and strikes or administrative decisions by authorities as well as supply shortages and other disturbances of performance, which are beyond our sphere of influence. We will inform the other party without undue delay about the occurrence as well the cessation of the force majeure applying our best efforts to remedy the force majeure and limit its effects to the extent possible for us. Such information will be served in writing, in urgent cases by telephone. Jointly with the other party we will agree on further action.

STANDARD TERMS AND CONDITIONS OF SALE AND DELIVERY

19. Event of insolvency

The customer suspending his obligations to deliver or make payments or when the opening of insolvency proceedings over his assets has been applied for or denied for lack of assets or when insolvency proceedings are instituted we are entitled to withdraw from the contract to the extent that has not been fulfilled at such point in time.

20. Data privacy & EDP processing

The customer agrees that we have the right to store the data necessary to process his order in electronic files in due consideration of legal requirements for the protection of data privacy.

21. Confidentiality

The customer undertakes to respect confidentiality in relation to all commercial documents, financial and technical details, in particular samples or models (information), which will be disclosed to him during the term of the contract. We undertake to maintain confidentiality in similar scope. The obligation commences with the first notification and continues for 36 months after the end of the business relation. The obligation is no longer applicable when such information has been known to the general public or is generally accessible or for which can be proven that the third party knew it before. Also when one party has been obligated to a disclosure on grounds of statutory provisions or an administrative decision by an authority.

22. Customers with registered office outside of the Federal Republic of Germany

Has the customer his registered office outside of the Federal Republic of Germany the following shall apply:

- a) the Vienna UN Sales convention on Contracts for the International Sale of Goods dated 11 April 1980 (CISG)
and,
- b) to the extent not regulated by the CISG, the German material law of both the Civil Code and the Commercial Code.

Foreign terms of purchase are inadmissible.

23. Concluding provisions

Verbal supplements to an agreement shall be applicable only when we have confirmed them in writing. Exclusive jurisdiction for all legal disputes resulting directly or indirectly from the contractual relation shall be Luedenscheid. Should any one of the provisions contained in these GST be or turn out to be ineffective this shall have no influence on the effectiveness of the other provisions. The customer undertakes to agree jointly with us on a substitute provision that is effective, enforceable and fit for the purpose of the order and for

STANDARD TERMS AND CONDITIONS OF SALE AND DELIVERY

the protection of the mutual interests. There will be no application of § 139 German Civil Code.