

General Terms and Conditions of Delivery and Payment K

1. Scope

- 1.1 The present General Terms and Conditions of Delivery and Payment shall apply only with respect to entrepreneurs within the meaning of Section 14 of the German Civil Code (BGB).
- 1.2 All deliveries and services effected by us shall be governed by these General Terms and Conditions of Delivery and Payment, exclusively. Unless otherwise provided for herein, the provisions laid down by law shall apply. We do not acknowledge any terms to the contrary or any deviating or supplementary terms used by the customer, in particular quality assurance agreements. Such terms shall only apply if they have been expressly approved by us in writing, either in whole or in part. Our General Terms and Conditions of Delivery and Payment shall also apply if we effect delivery without reservation even though we are aware of conflicting or supplementary terms used by the customer.
- 1.3 Our General Terms and Conditions of Delivery and Payment shall also apply to future business, even if they are not enclosed in individual cases.

2. Offer and Order

- 2.1 Our offers are subject to change and non-binding, unless they are expressly stipulated as binding.
- 2.2 Each order shall be governed by our written acknowledgement of order. If the order is executed immediately the commercial invoice and/or the delivery note shall be deemed to constitute the acknowledgement of order.
- 2.3 If the customer has any objections as to the contents of the acknowledgement of order, he must oppose such acknowledgement of order without delay. Otherwise the contract shall take effect in accordance with the acknowledgement of order.

3. Subject Matter of the Contract

- 3.1 We reserve the right to effect the following changes to the contractual products after conclusion of the contract, if and to the extent that this can be expected of the customer:
- product changes in the course of continuous product development and improvement;
 - slight and insignificant deviations in color, shape, design, dimensions, weight or quantity;
 - customary deviations.
- 3.2 If and to the extent that this can be expected of the customer, we shall be entitled to effect deliveries that exceed or fall short of the ordered quantity by up to 15%.
- 3.3 Unless otherwise specified, the usual tolerances shall apply to dimensions. Goods shall be deemed flawless if no more than 5% scrap is included.
- 3.4 We do not assume any guarantee without explicit agreement. Also, in the event of obligations to supply unascertained goods [German "Gattungsschulden"] we will not assume any procurement risk without explicit agreement.

4. Tools, Drawings, Drafts, Exclusive Designs

- 4.1 We retain title to and possession of the tools required for the production of the goods even if the tool costs are borne by the customer, either in whole or in part, or if the customer has provided concepts for the tools or for the goods. Unless expressly otherwise agreed, we may utilize the tools for general use.
- 4.2 Orders executed by us in accordance with drawings, drafts or other information submitted to us shall be executed at the risk of the customer in terms of patent, design and trademark law. If the intellectual property rights of any third party are interfered with on account of the execution of such orders, the customer shall bear all and any damage incurred by us on account of such interference, including the costs of our legal defense. In this respect, the customer must hold us harmless from any claims for damages asserted by any third party.
- 4.3 If a specific design is to be delivered to the customer exclusively or to a specific customer group exclusively (exclusive design), such must be expressly agreed in writing. If, after conclusion of the contract, the customer fails to meet his obligations, we shall be entitled to offer and deliver the exclusive design to the general public. The same shall apply if the customer's financial circumstances deteriorate significantly and the customer refuses to make advance payments.

5. Delivery, Passing of Risk, Delay

- 5.1 Any deadlines and dates for our deliveries and services indicated by us shall always only be deemed approximate, unless a fixed deadline or date has been confirmed or agreed. If shipping has been agreed, delivery periods and delivery dates shall refer to the point in time the goods are handed over by us to the shipping agent, carrier or other third parties charged with the shipping of the goods.

- 5.2 Without prejudice to our rights due to delay on the part of the customer, we shall be entitled to require the customer to extend delivery and performance periods or to postpone delivery and performance dates for as long as the customer does not meet his contractual obligations owed to us.
- 5.3 Unless otherwise agreed, deliveries shall be effected ex works. The risk of accidental loss and accidental deterioration of the goods shall pass to the customer upon delivery - if the goods are shipped, when the goods are handed over to the shipping agent. If dispatch or handing over of the delivery item is delayed due to circumstances for which the customer is responsible, the risk shall pass to the customer from the day on which the delivery item is ready for dispatch and we have notified the customer thereof.
- 5.4 Delivery shall also be effected at the risk of the customer if, by way of exception, it has been agreed that the shipping costs shall be borne by us. If we select the shipping method, the route or the shipping agent, we shall only be liable if we are at fault for gross negligence in such selection.
- 5.5 We shall be entitled to effect partial deliveries if:
- the partial delivery can be used by the customer within the framework of the contractually intended purpose,
 - delivery of the remaining goods ordered is ensured and if
 - the customer does not incur any significant additional effort or expense on account of this (unless we agree to bear such costs).
- 5.6 If we are in default of delivery, we shall be liable in the event of gross negligence for the damage caused to the customer by the delay. In the event of slight negligence, our liability for damage caused by delay shall be limited in each case to compensation amounting to 0.5% for each completed week of delay, however in total not exceeding 5% of the price for the part of the deliveries that could not be put to appropriate use on account of the delay. In addition, we shall only be liable for damage caused by delay in the event of slight negligence from the point in time on which a reasonable grace period set by the customer has expired.
- 5.7 If delivery deadlines are exceeded the customer shall only be entitled to withdraw from the contract if he has previously set us a reasonable grace period and delivery has not been effected within such grace period.
- 6. Material Defects**
- 6.1 The customer undertakes to inspect any delivery immediately upon receipt and to inform us in writing of any obvious defects without delay. Any hidden defects must be notified in writing immediately after their detection. Otherwise, the delivery shall be deemed approved.
- 6.2 Unless otherwise agreed in writing in an individual case, we shall not assume any guarantee as to the quality or the durability of the item. A specific use provided for in the contract shall only be taken into account if a written agreement has been entered into to this effect.
- 6.3 In the event of a defect for which we are responsible, we shall be entitled to effect supplementary performance by, at our discretion, either remedying the defect or by supplying a defect-free item in replacement. If we refuse supplementary performance, if supplementary performance has failed or cannot be expected of the customer, the customer may at his discretion either withdraw from the contract or demand a price reduction.
- 6.4 The customer's entitlement to claims for defects, including claims for damages based on a defect, shall become statute-barred within twelve months from the commencement of the statutory period of limitation. However, the statutory periods of limitation shall apply:
- to items which in conformity with their customary use have been used for a building and have caused its defectiveness;
 - to recourse claims against the supplier in the event of end delivery to a consumer;
 - if we have fraudulently concealed a defect;
 - if we have furnished a guarantee;
 - in the event of injury to life, limb or health;
 - if we have breached our duty based on intent or by gross negligence;
 - to liability under the Product Liability Act.
- 7. Damages**
- 7.1 We shall be liable for intent and gross negligence. We shall only be liable for slight negligence in case of a breach of essential contractual obligations arising from the nature of the contract or the breach of which endangers the fulfilment of the contractual purpose. Also in these cases damages shall be limited to the foreseeable damage typical to the contract. In other respects, in case of slight negligence damage claims asserted by the customer shall be excluded, irrespective of the legal grounds thereof.
- 7.2 The above limitation of liability shall not apply to any claims arising out of the Product Liability Act, in the event of injury to life, limb or health.
- 7.3 Furthermore, limitation of liability shall not apply in the event of claims for damages due to material defects if we have fraudulently concealed a defect or have furnished a guarantee for the quality of the goods. As regards the limitation period for claims for damages due to material defects, the provision under item 6.4 above shall apply accordingly.

8. Retention of Title

8.1 We retain title to all goods delivered by us until each and every claim we have on account of existing contracts has been paid in full. Claims shall also include claims on checks and bills of exchange as well as receivables from current account. If, in connection with payment by way of bill of exchange, a liability to recourse is created against us, retention of title shall only become extinct if it is ruled out that a creditor might have recourse against us.

In the event of resale, as early as with the present the customer shall assign to us all and any claims from such resale, in particular claims for payment, but also other claims relating to the sale, up to the total amount of our invoice (including VAT), irrespective of whether the goods delivered were sold without or after processing.

Subject to our admissible revocation for good cause, the customer shall be entitled to collect the assigned claims on a fiduciary basis. Resale of the receivables within the framework of actual factoring shall require our prior consent. For good cause we shall have the right to notify third-party debtors of the assignment of claims also on behalf of the customer. Notification of the assignment to a third-party debtor shall end the customer's right to collect the debt. If the right to collect the debt is revoked, we can require the customer to disclose to us the claims assigned as well as the debtors thereof, to provide us with all information required for collection, to hand over all relevant documents and to notify the debtors of the assignment.

Good cause within the meaning of the present stipulations shall include but not be limited to the customer being in default of payment, the customer having suspended his payments, in the event of insolvency proceedings having been initiated against him, if bills are protested or in the event of evidence indicating an over-indebtedness or imminent insolvency of the customer.

8.2 If the customer is in default of payment or if it becomes apparent that our claims for payment are at risk due to the customer's inability to honor his commitments we shall be entitled to claim the surrender of the goods subject to retention of title.

8.3 In the event of attachments or other third-party interventions the customer undertakes to notify us immediately thereof. The customer shall bear all costs which need to be incurred in order to ensure that such intervention discontinues and to ensure the recovery of the delivery item, to the extent that such costs cannot be collected from the respective third party.

8.4 Subject to admissible revocation for good cause, the customer shall be entitled to dispose of the delivery item within the framework of the ordinary course of business. In particular it shall not be permitted to pledge the delivery item or to use it as security. The customer may only pass on goods subject to retention of title to the purchaser if the customer is not in default with respect to his commitments to us.

8.5 Handling and processing of the delivery item by the customer shall always be undertaken on behalf of us. We shall be deemed to be the manufacturers within the meaning of Section 950 of the German Civil Code, without any further obligation. If the delivery item is processed together with other items which do not belong to us, we shall acquire co-ownership of the new product in proportion to the value of the invoice amount and the purchase price of the other processed goods. In all other respects, the provisions applicable to the delivery item shall apply to the new product created by such processing.

8.6 If the delivery item is combined, mixed or blended with movable products of the customer in such a way that the product of the customer is to be considered as the principal thing, as early as with the present the customer shall assign to us co-ownership of the whole product in proportion to the value of the delivery item and the value of the other combined, mixed or blended products. The customer shall store such property for us free of charge. If the delivery item is combined, mixed or blended with movable products belonging to a third party in such a way that the product of the third party is to be considered as the principal thing, as early as with the present the customer shall assign to us his claim for remuneration against such third party, i.e. the amount proportionate to the sum total of the invoice of the delivery item.

The new product created by combining, mixing or blending and/or the (co-) ownership rights to the new product to which we are entitled and/or which are to be assigned to us as well as the payment claims assigned to us as per the preceding paragraph shall serve as security for our claims in the same way as the delivery item itself.

8.7 If or to the extent that a retention of title or an assignment of claims is ineffective or unenforceable due to mandatory provisions of foreign law, the security corresponding to retention of title or assignment of claims applicable in this area shall be deemed as agreed. If, according to this, the assistance of the customer is required, he must take all steps necessary in order to establish and maintain the security.

9. Prices and Payment

9.1 The prices stated in the acknowledgement of order shall be authoritative. Unless otherwise agreed they shall be ex works and shall be exclusive of packaging, freight, insurance, customs duties and VAT.

9.2 If, after the conclusion of the contract and until the execution of the order, any cost increases arise which were unforeseeable for us, e.g. on account of an increase in labor or material costs or on account of the introduction of or considerable increase in taxes or customs duties, we shall have the right to adjust the prices, taking into consideration the altered circumstances and without calculating any additional profit.

9.3 In the event of price increases that exceed the contractually stipulated prices by more than 20% the customer shall be entitled to withdraw from the contract. However, this right shall not apply if the cost-increasing factors occur during a delay in acceptance or

payment by the customer or a delay in delivery for which the customer is responsible. The customer shall also not be entitled to withdraw from the contract if the price increase is a consequence of changes requested by the customer after the conclusion of the contract.

9.4 Only on express agreement shall bills of exchange and checks be accepted as payment pending full discharge of the debt, on no account in lieu of payment. Any charges and costs incurred by this shall be borne by the customer. Payment by way of bill of exchange shall exclude the deduction of a discount.

9.5 If the customer is in default of payment, we shall be entitled to charge default interest at a rate of 8% above the base interest rate.

10. Set-off and Retention

The customer may only offset counterclaims that are undisputed or recognized by declaratory, non-appealable judgement. The customer may only enforce a right of retention if his counterclaim is based on the same contractual relationship.

11. Call-off Orders

Unless otherwise agreed, in the event of call-off orders the call must be made at the latest in such a way that delivery can be effected within 12 months of the acknowledgement of order. After expiry of a reasonable grace period for call-off or acceptance, we shall be entitled to either deliver and invoice the goods, to withdraw from the contract or to claim damages. In this case, we shall also be entitled to offer and deliver exclusive designs to the general public.

12. Place of Performance, Place of jurisdiction, Applicable Law

12.1 Place of performance for delivery and payment shall for both parties be Birkenfeld exclusively.

12.2 If the customer is a merchant, place of jurisdiction for all and any legal disputes arising out of the contractual relationship, its creation and effectiveness shall for both parties be the seat of our company. At our option, we may also bring an action at the seat of the customer.

12.3 The contractual relationship shall be governed by German law exclusively. The UN Convention on the International Sale of Goods (CISG) shall not apply.

Effective as of January 2020