

Sales, delivery and payment terms of

KRONACHER WERKZEUGBAU KLUG GMBH & CO. KG, Bahnhofstr, 32 a, 96524 Neuhaus-Schierschnitz (hereinafter called “the Company”)

§ 1 General. 1 The Company shall only recognize deviations from these conditions of sale - in particular any purchasing conditions of the buyer which vary from our terms and conditions of sale - if it has specifically agreed their validity in writing. This also applies when the Company has unconditionally executed the order in knowledge of deviating customer terms and conditions.

2. Any supplemental side agreements made between the Company and the customer, any reservations, changes or additions to the contract are only valid in writing.

3. The Company's general terms of business also apply to all future transactions between the Company and the customer.

4. The contract between the Company and the customer is governed by the following documents in the following order: order confirmation of the Company, technical drawings, sketches, samples from the Company, the customer's written order.

5. Our offers are subject to change. Orders are not deemed as accepted until they have been confirmed in writing or executed by the Company.

6. When using the supplied goods, rights of third parties are to be observed. The customer releases the Company from any claims in this respect, especially in the case of production in accordance with customer specifications.

§ 2 Prices. 1. The prices quoted are valid ex works, excluding non-returnable packaging and are always net prices excluding VAT.

2. The Company considers itself bound to the agreed price for a period of four months following conclusion of the contract. After this period the Company may adjust the prices in accordance with changes in material and labor prices. If the price adjustment exceeds 10 % the customer may terminate the contract, but is nevertheless obliged to pay the Company for work performed to date on the basis of the original contract.

§ 3 Terms of payment 1. As far as no other written agreements have been made the following terms of payment shall apply:

a. Injection molded plastic parts: Payment within 14 days with 2 % discount or within 30 days net from date of invoice.

b. Tools: 30% net within 14 days after issue of the order, 50% net within 14 days after sampling of the first falling parts, 10% net after execution of all correction grinding, 10% net (final payment) 14 days after release, or within 30 days of delivery, if the release is delayed for reasons not attributable to the Company.

c. Tool changes: Payment net within 14 days of execution of the change, a functional tool and samples.

2. Subsequently required changes to tools do not affect these terms of payment and are to be charged separately. Payment of previously performed work is due immediately before any changes will be done.

3. Bills of exchange are only accepted by special agreement. The costs of discounting are to be borne by the customer. In the case of default of payment by the customer, the latter is obliged to pay an interest rate of 6% above the base rate of the ECB for the main refinancing operation.

4. If the financial situation of the customer worsens, the Company is entitled to demand collateral equal to the amount payable, to return any traded-in exchanges and to demand advance payment.

§ 4 Delivery time 1. The delivery dates quoted by the Company are not binding. If there is a co-obligation of the customer, an agreed delivery period does not begin until the customer has complied with its obligation to cooperate. If delivery is delayed for a period of time for reasons not attributable to the Company such as force majeure, labor disputes, riots or government action, the delivery periods shall be extended by such a period of time.

2. If binding deadlines have been agreed, the customer is obliged to grant the Company a grace period of at least four weeks after the deadlines to perform the agreed service. After fruitless expiry of the grace period the customer may cancel the contract or claim damages subject to the limitation of liability under § 7 Para. 5, whereby compensation is only payable where there is evidence of intent or gross negligence of the Company or of the agents of the Company. Suppliers are not to be regarded as agents of the Company.

If the Company does not perform the agreed work within the grace period for reasons not attributable to the Company and the customer cancels the contract, mutual claims shall not exist under any circumstances.

3. If the customer defaults on acceptance, in particular if the customer does not accept the ordered performance in spite of a grace period of eight days or seriously and finally refuses acceptance, the Company may refuse to perform the contract and claim damages due to failure to comply and with regard to consequential damages.

§ 5 Shipping. Shipping shall be at cost and risk of the customer unless otherwise agreed.

§ 6 Order cancellation. In case of cancellation of the order, all previously incurred costs and lost profit are to be replaced to the Company by the customer. Upon request, the unfinished tools including ancillary work shall be delivered to the customer.

§ 7 Warranty, limitation of liability. 1. All information about the suitability, processing and application of the Company's products, technical advice and other information are given to the best of knowledge. This, however, does not exempt the customer from its own inspections and tests.

2. The Buyer shall forfeit any warranty claim, if the buyer does not fulfill its inspection and complaint obligations. Obvious defects must be reported within six days after receipt of goods, concealed defects must be reported within eight days after their discovery. Warranty is excluded if rework or changes are performed on the goods by the customer itself or by third parties or other damage-causing effects occur which are not attributable to the Company.

3. The warranty period is one year starting from the transfer of risk. Insofar as the purchased goods show a defect for which the Company is responsible, the buyer, to exercise its rights, has to set the Company a deadline of at least four weeks for rectification of the defect in Germany. We are entitled to rectify the defect or replace the goods at our discretion.

4. If the Company is not willing or able to offer subsequent performance, in particular if the time required for rectification extends beyond the deadline set or rectification fails in any other way for reasons attributable to the Company, the purchaser may withdraw from the contract or reduce payment.

5. There shall be no entitlement to a claim for damages due to defects of the delivered goods or in tort against the Company, regardless of the nature of the breach, except in the case of deliberate or gross negligence or where culpable violation of a contractual obligation (cardinal obligation) has been caused in a manner that endangers achievement of the contractual purpose. In case of breach of fundamental contractual obligations, the Company is liable for any negligence, but only up to the amount of foreseeable damage, namely up to the value of the respective order. Claims for loss of profits, other losses, and saved expenses from claims by third parties and other direct or consequential damages cannot be asserted under any circumstances and are to be excluded. This limitation shall neither apply to claims arising due to fraudulent behavior of the Company nor to liability for claims under the Product Liability Act as well as damages resulting from injury to life, limb or health. Insofar as the liability of the Company is excluded or limited, this also applies with regard to the personal liability for damages of our employees, representatives and agents. The limitation period of § 7 para.3 shall apply insofar as the respective claims are not due to product liability.

6. The customer is obliged to specify the design of the tool, unless otherwise agreed between the Company and the customer. In this case the customer is solely responsible for any damage resulting from any defects in design. If the customer does not specify the design, the design shall be at the sole discretion of the Company. If the customer subsequently requires a change which deviates from the specified design, then this shall be paid for separately.

§ 8 Drawings and documents. Drawings and documents and written proposals for an inexpensive design and manufacture of the contractual item which are entrusted to the customer shall be and remain the intellectual property of the Company. They may not be disclosed to third parties.

§ 9 Retention of title. 1. Until full payment of the agreed contract price and other receivables resulting from the business relationship with the customer, all delivered goods shall remain property of the Company.

2. The retention of title also extends to products resulting from the processing, mixing or combining of the Company's goods whereby the Company shall be regarded as the manufacturer. If when processing, mixing or combining of the goods of the Company with those of third parties, the latter retain title to their goods, the Company shall acquire co-ownership proportional to the invoice value of the processed goods.

3. As a security, any receivables from third parties arising from resale shall already be transferred by the customer to the Company to the full amount or to the value of any co-ownership (see § 9 para.2). The customer is entitled to collect receivables on behalf of the Company until revocation or cessation of its payments to the Company. The buyer is also not entitled to assign these receivables for purposes of debt collection by means of factoring, except where the obligation of factoring is simultaneously justified as to effect the return directly to the Company to the amount of the Company's share of receivables as long as receivables are still made against the customer.

4. Third party access to the goods belonging to the Company and claims shall be notified immediately by registered letter.

5. Goods and subsequent receivables may neither be pledged to third parties nor pledged or assigned as security prior to full payment of the demands of the Company.

6. If the value of the securities exceeds the demands of the Company by more than 20 %, then upon request of the customer the Company shall in this respect deliver securities of its own choice.

§ 10 Jurisdiction and place of performance, applicable law. Place of performance for deliveries and payments shall be 96524 Neuhaus-Schierschnitz. Jurisdiction shall be at the headquarters of the Company. The company, however, shall also be entitled to sue the customer at its general legal venue. The contract is governed exclusively by German law under exclusion of the CISG.