



General Terms and Conditions of Purchase

Unless otherwise expressly agreed in writing, these General Terms and Conditions of Purchase (these "GT&C") shall exclusively govern and automatically apply to the purchase of any material, goods, products or services by us for our or others accounts (collectively the "Deliverables") pursuant to a written purchase order issued by us that is accepted by the Contractor as provided herein, or a written purchase agreement that we and the Contractor execute ("Orders") to contractors, vendors or service providers (collectively, the "Contractor").

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ANY TERMS AND CONDITIONS THAT MAY BE SET FORTH IN AN ORDER CONFIRMATION OR OTHER DOCUMENT ISSUED BY OR FOR THE CONTRACTOR THAT ARE INCONSISTENT WITH OR IN ADDITION TO THESE GT&C OR AN ORDER SHALL NOT BE BINDING UPON US UNLESS SPECIFICALLY ACCEPTED BY US IN WRITING, AND THEY SHALL OTHERWISE BE DEEMED TO HAVE BEEN EXPRESSLY REJECTED IN CONFORMITY WITH ANY APPLICABLE LAW, INCLUDING BUT NOT LIMITED TO SECTION 2-207 OF THE UNIFORM COMMERCIAL CODE.

1 Placing and Acceptance of Orders

- 1.1 Unless otherwise specified in the Order, an Order is not binding until our purchase order has been submitted to the Contractor and has been accepted by the Contractor in writing in accordance with these GT&C. No change or other modification to any Order, subsequent agreement and/or these GT&C shall be binding upon us unless accepted in writing by us. Without derogating from the generality of the foregoing, it is hereby clarified that our employees are required to confirm in writing any oral supplementary agreements or commitments that extend beyond the content of the written Order or these GT&C if it would likely be detrimental to us.
- 1.2 The Contractor must confirm our purchase order in writing by returning to us a copy thereof signed by Contractor within the time limit specified in the Order and in no event later than within fourteen (14) calendar days after our sending the purchase order to the Contractor. A purchase order may be revoked by us at any time prior to acceptance. Notwithstanding the foregoing or anything herein to the contrary, we may elect to consider Contractor's oral acceptance, Contractor's preparation to provide the Deliverables or their actual delivery, as an acceptance of purchase order and these GT&C (and of no other terms) and enforce the resulting Order, provided that such election may only be made in our discretion and at our option and that Contractors shall not be deemed to have any reasonable expectation with respect to a revoked purchase order or a purchase order that has not been properly accepted yet by the Contractor.
- 1.3 The Contractor is required to thoroughly review and examine the details and specifications set forth in our purchase order prior to acceptance, including but not limited to our specifications concerning the quality of the Deliverables and our drawings. By confirming the Order, the Contractor acknowledges the accuracy of the Order and the drawings as well as confirms the technical and practical feasibility to meet the specifications and requirements pursuant thereto.
- 1.4 The Contractor is not permitted to assign, transfer or disclose the existence or contents of the Order to third parties, including for the purpose of production or delivery, without our prior written consent.

2 Period of Delivery and Period of Production

- 2.1 The agreed-upon deadlines are binding and unless otherwise mentioned TIME IS OF THE ESSENCE. Should a delivery period be given, unless otherwise agreed in writing, it shall commence with the Contractor's receipt of the Order. Should a calendar week be specified in connection with a deadline for delivery, the latest possible delivery date is the last working day of such week. Compliance within the delivery period is met solely upon the arrival of the Deliverables (including all ancillary documents pursuant to Section 3.1 below) at the agreed-upon address, or upon the commencement of the services, as the case may be.
- 2.2 The Contractor undertakes to take any reasonable step and action, at its sole expense, in order to comply with the agreed upon delivery date. If the Contractor realizes that an agreed upon deadline cannot be maintained, for whatever reasons, it shall immediately inform us about this fact in writing and detail the reasons for and the anticipated length of the delay.

3 Delivery / Acceptance

- 3.1 Delivery must be in due time including delivery of any ancillary documents containing all information customary in the trade, including without limitation our order and article numbers and all documents to be given in accordance with our Order. The Contractor shall not have fulfilled its delivery obligations unless and until all delivery and shipping papers, together with all of the documents required to be included pursuant to the Order (e.g. certificates, drawings, Contractor's declaration, etc.) have been actually received by us. It is hereby clarified that until we receive these documents, we will not be able to inspect the incoming Deliverables and shall be entitled to store the delivery at the Contractor's sole expense and risk until receiving the required documents. Should direct delivery to our plant have been agreed upon, our normal times of business (7am to 4:30pm Monday through Thursday, and 7am to 2pm on Friday, except for national holidays and plant shutdowns) shall be respected.
- 3.2 We are entitled to determine, at our sole discretion, the type of shipment and transportation mode as well as the carrier. If we have not informed the Contractor in this respect, the Contractor shall be responsible to choose the transportation mode as well as the carrier, provided however that it shall make its best efforts to choose the type of shipment and transportation most advantageous for us, and in any event shall be obligated to provide us with a prior written notice regarding its decision.
- 3.3 In the event that, without prior written approval by us, the delivery occur earlier than the date specified in the Order or otherwise agreed-upon in writing and we do not have sufficient storage space available, we reserve the right to return the Deliverables to the Contractor at its expense and risk, or charge the Contractor for storage expenses through the agreed-upon delivery date. Early receipt of the Deliverables does not obligate us to pay before the due date originally agreed upon.
- 3.4 Should delivery be delayed for any reason beyond our reasonable control and except of circumstances that constitute a "force major" pursuant to Section 10.4 below, without derogating from any other remedy available to us by law, we may automatically charge a contractual penalty of half percent (0.5%) of the agreed-upon total price of the Order for every full week of delay. This contractual penalty is limited to a maximum amount of five percent (5%) of the agreed-upon total price of the Order. Our acceptance of the delayed Deliverables does not constitute any waiver by us on any of our rights or remedies otherwise available to us. We reserve the right to claim this contractual penalty until final payment has been made. In addition, without derogating from the foregoing, if the Contractor fails to meet the delivery time, without prejudice to any other remedy available to us hereunder, at law or equity, we shall be entitled to cancel the Order and recover from the Contractor any losses and consequential costs arising from the purchase of substitute Deliverables elsewhere. For the removal of any doubt, the requirement to meet a specified delivery time and/or period shall be met and satisfied only when we or the relevant purchaser shall have received the Deliverables at our or any other designated factory, warehouse or other place of delivery that may be specified in the Order (or if not specified, as otherwise specified by us) together with any required ancillary document pursuant to Section 3.1 above.
- 3.5 Unless otherwise expressly accepted by us in writing, partial delivery shall not be permitted. The receipt of a partial delivery does not constitute a waiver by us on any of our rights or remedies available to us.

- 3.6 In the event Deliverables are delivered in excess of the quantities ordered, we may be entitled to reject all or any excess Deliverables and in any case shall not be bound to pay for the excess and any excess will be and will remain at the Contractor's risk and we may, at our discretion, either return the excessive portion of the Deliverables to the Contractor at the Contractor's sole risk and expense or keep them in storage at the Contractor's sole risk and expense until Contractor will arrange their return.
- 3.7 Contractor shall deliver the Deliverables in accordance with the terms specified in the relevant Order and any written instructions provided to the Contractor. Except as otherwise provided in writing in any applicable Order, the risk of loss and title to the Deliverables shall pass to us once the delivery arrives at our place of delivery as specified in the Order (or if not specified, as specified by us), regardless of whether delivery ex works or FOB any location in the export or any transit jurisdiction is specified in the Order and of whether carriage or shipping, insurance or other transportation costs are paid by us.

4 Work at Our or Our Customers' Premises / Testing at the Contractor's Premises

- 4.1 Should the Contractor's employees or agents work or provide any services at our or our customer's plant, they must comply with any applicable law, observe the applicable accident-prevention regulations and all other safety rules, as well as any other applicable plant regulations and policies. They may not commence any work without inquiring and being fully informed on these regulations.
- 4.2 Unless otherwise agreed in writing, the price shall include the Contractor's obligation to assemble, install and/or put the Deliverables into operation. Such assembly and/or installation must be accepted by us upon completion. Unless otherwise agreed in writing, the Contractor must request our acceptance in writing one (1) week in advance. Acceptance has occurred when our authorized agent has accepted the Contractor's services expressly and in writing as conforming to the Order. We may still assert a claim based on defects at the time of final payment or for hidden defects at any time prior to the expiration of the warranty period.
- 4.3 The length of time that Contractor or anyone on its behalf have worked, as well as the material provided by the Contractor, must be confirmed by our authorized agent in writing immediately after the work has been completed, or, at the latest, by the end of the same day.
- 4.4 If so agreed, we or our customer may determine to perform a quality-control test to assess and evaluate pending Deliverables and manufacturing processes associated therewith at the Contractor's premises or its delivering plant. In the case of a government contract, testing may also be performed by a government institution, as determined by the applicable government unit. There will be no separate compensation for the Contractor's obligations under this Section 4.4.

5 Pricing and Payment

- 5.1 The price for the Deliverables shall be as set out in and calculated in accordance with the Order ("**Price**"). The agreed-upon Price shall be a flat fixed price, shall cover all performance items that are necessary in order to comply with the Orders. No other charges may be imposed, including but not limited to those related to packaging, transport, insurance, customs, clearance, expenses, and any applicable Value Added Tax or any other sales tax or other government charge or levy. The INCOTERMS terms applicable to the delivery, transfer of title, passage of risk of loss, and any other applicable matter, shall be as specified in the Order. Unless otherwise specified, all Deliverables shall be delivered on a DDP basis according to INTERCOMS 2010 (i.e. the Contractor fulfils his obligation to

deliver when the Deliverables have been made available at the named place in the country of importation. The Contractor has to bear the risks and costs, including duties, taxes and other charges of delivering the Deliverables thereto). A separate bill for each Order must be issued and sent to our address.

- 5.2 Unless other terms have been agreed upon, we may select at our discretion the terms of payment including but not limited to one of the following ways: (a) fourteen (14) days with three percent (3%) discount; or (b) thirty (30) days net.
- 5.3 The payment period stipulated in Section 5.1 begins after the later of: (a) the Deliverables have been timely and fully received in accordance with the Order, including all ancillary documents specified in Section 3.1; (b) the agreed-upon delivery date; (c) the receipt by us of the applicable bill, whichever is later. We maintain set-off and retention rights to the extent permitted by law. Payment does not indicate that we waive any right available to us pursuant to these GT&C or any law.

6 Packaging

Unless otherwise agreed between us, the Contractor shall be responsible for packaging and must package the Deliverables so that they are sufficiently protected against damage during transportation. In doing so, the Contractor must especially take into account the nature of the Deliverables to be delivered and the method of transportation. Additionally, the packaging must comply with any applicable law or the relevant rules and policies of the courier, shall be environmentally friendly, shall not require any special disposal, and shall cause no contamination of the Deliverables to be delivered.

7 Assumption of Risk

We assume risk according to DDP to the named place of destination irrespective of whether we or the Contractor determined the mode of transportation or in the event we, by way of an exception, use our own transportation personnel. Should an acceptance procedure have been agreed upon or is statutorily required, risk is assumed upon the successful acceptance of the Deliverables by a person authorized to do so by us.

8 Quality and Liability for Defects

- 8.1 CONTRACTOR WARRANTS THAT ALL DELIVERABLES DELIVERED PURSUANT TO AN ORDER WILL: (I) BE FREE FROM ANY SECURITY INTEREST, OR OTHER LIEN OR ENCUMBRANCE HELD BY ANY THIRD PARTY; (II) CONFORM TO ALL REQUIREMENTS OF THE ORDER, SPECIFICATIONS AND APPROPRIATE STANDARDS, (III) BE NEW, AND BE FREE FROM DEFECTS IN MATERIAL OR WORKMANSHIP; (IV) TO THE EXTENT CONTRACTOR KNOWS OR HAS REASON TO KNOW THE PARTICULAR PURPOSE FOR WHICH WE OR THE PURCHASER ON OUR BEHALF INTENDS TO USE THE DELIVERABLES, BE FIT FOR SUCH PARTICULAR PURPOSE; (V) COMPLY WITH AND CONFORM TO THE CURRENT STATE OF THE ART, THE APPLICABLE LAWS, THE SAFETY AND ACCIDENT PREVENTION REGULATIONS; AND (VI) NOT INFRINGE UPON THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY AND BE FREE FROM DEFECTS IN DESIGN. CONTRACTOR WARRANTS THAT SERVICES WILL BE PERFORMED IN A GOOD AND WORKMANLIKE MANNER. THE APPROVAL OF DESIGNS, INSPECTION, ACCEPTANCE, OR PAYMENT BY US SHALL NOT RELIEVE CONTRACTOR SELLER OF ITS WARRANTY OBLIGATIONS HEREUNDER.

CONTRACTOR FURTHER REPRESENTS AND WARRANTS THAT ALL IMPLIED WARRANTIES APPLICABLE PURSUANT TO THE UNIFORM COMMERCIAL CODE OR OTHER BINDING BODY OF LAW HAVE NOT BEEN WAIVED AND SHALL BE DEEMED INCORPORATED HEREIN BY REFERENCE.

- 8.2 The Contractor shall be solely responsible for the quality of the Deliverables. It must implement appropriate quality management measures and policies and conduct any reasonable test prior to shipment in order to ensure that the quality requirements for all manufacturing phases (including material purchasing) are defined, strictly kept, and are documented during all manufacturing phases. Without derogating from the generality of the above, it must particularly ensure that appropriate manufacturing and testing methods recognize and effectively fix any deviation from the appropriate quality standard at an early stage.
- 8.3 The Contractor must carry out a comprehensive pre-shipping inspection. In doing so, it must follow the agreed-upon quality-control protocols and any applicable law. After the Deliverables have arrived, we will promptly inspect them for identity, shortages, obvious apparent defects, as well as for visible transportation damage. There is no additional obligation to further examine or inspect the Deliverables. We will report defects to the Contractor within fourteen (14) days after their discovery. Unless the delay was a result of our willful misconduct or gross negligence, the Contractor waives objections based upon the delayed notification of such defects.
- 8.4 Should there be defects, we may return the defective Deliverables to Contractor, at Contractor's sole expense or store them and charge the Contractor for reasonable storage costs until it arranges their delivery. Contractor agrees in case of any non-conforming goods, without expense to us, to promptly deliver replacement shipment of defect-free replacement goods. Rectification of defects is allowed only upon our prior approval. In addition, we may, after a reasonable additional extension period has expired or immediately if such extension cannot be granted because of particular urgency, but in any event only after notifying the Contractor, independently replace or correct defects of any Deliverables, have the defect remedied by a third party, or procure replacement goods elsewhere. Such remedies are in addition to and not in derogation of any other remedy we have at law or in equity.
- 8.5 The Contractor must bear all expenses incidental to the repair or replacement of non-conforming goods including but not limited to delivery from and to the place at which the article is in use. We will inform the Contractor of the place at which the article is in use at its request.
- 8.6 Unless otherwise agreed in writing, the warranty period is thirty six (36) months and shall commence upon receipt and acceptance of the Deliverables by us.
- 8.7 Should the Contractor repair or replace the Deliverables after the receipt of a notice of defects pursuant to these GT&C, the period of warranty pursuant to Section 8.6 with respect to such Deliverables shall begin as of the receipt by us of the new or replaced Deliverables.
- 8.8 Should more than ten percent (10%) of Deliverables received in any one delivery is defective, it will be assumed that the entire shipment is affected by this defect (subsequently referred to as a "**Serial Defect**"). The Contractor reserves the right to prove within a reasonable time after receipt of a notice from us regarding such Serial Defect that parts of the Deliverables are defect-free. In the event of a Serial Defect, the Contractor must upon our request inspect the Deliverable at our plant and sort out defective pieces at its own expense. Should it not comply with this

request within a reasonable period of time after the receipt of a written notice from us, or immediately if such extension cannot be granted because of particular urgency, but in any event after notifying the Contractor in writing, we shall be entitled to return the complete delivery and demand the delivery of replacement Deliverables.

9 Third-party Industrial Property Rights

The Contractor hereby represents and warrants that the contractual use of the Deliverables supplied does not infringe the intellectual property and other rights of a third party. Contractor agrees upon receipt of notification to promptly assume full responsibility for defense of any suit or proceeding which may be brought against us or our agents, customers, or other vendors for alleged infringement of any patent, copyright or misappropriation of any trade secret, as well as for any alleged unfair competition resulting from similarity in design, trademark or appearance of Deliverables furnished hereunder, and Contractor further agrees to indemnify us, our agents and customers against any and all expenses, losses, royalties, profits and damages including court costs and reasonable attorneys' fees resulting from any such suit or proceeding, including any settlement. We may be represented by and actively participate through our own counsel in any such suit or proceeding if we so desire, provided at the costs of such representation shall be paid by us. If our use of any of the Deliverables is enjoined as a result of any such infringement or alleged infringement, Contractor agrees, at our option to: (i) accept return of the Deliverables from us and refund us the amounts we paid with respect to such Deliverables; or (ii) modify the Deliverables so that they become non-infringing but equivalent in functionality, quality, compatibility and performance; or (iii) procure for us and our customers the right to continue using and distributing the Deliverables. The foregoing obligation does not apply with respect to any Deliverables: (i) made in accordance with our specifications, if the alleged infringement would not have occurred but for conformance with such specifications; or (ii) which are modified after shipment by Contractor, if the alleged infringement would not have occurred but for such modification.

10 Liability

- 10.1 Contractor shall defend, indemnify and hold us harmless against all damages, claims or liabilities and expenses (including attorneys' fees) arising out of or resulting in any way from any defect in the Deliverables purchased hereunder, or from any act or omission of Contractor, its agents, employees or subcontractors. This indemnification shall be in addition to the warranty obligations of Contractor.
- 10.2 The Contractor shall be obligated to purchase and maintain a public and products liability insurance providing appropriate cover against the risks associated with the Order and these GT&C. Upon our request, the Contractor must promptly furnish us with satisfactory evidence of the maintenance of such insurance policy as well as proof of payment of premiums.
- 10.3 We shall not be liable for any damages resulting from any act or omission of us, our representatives, or agents in connection with the performance of the Order or these GT&C unless such damage is the result of any willful misconduct or gross negligence on part of us or our representatives or agents.
- 10.4 Neither party herein shall be liable to the other party herein or any other person for any failure or delay in the performance of any obligation in connection with an Order and/or these GT&C due to unforeseen or unavoidable events beyond such party's reasonable control, including, but not limited to, acts of God, fire, storm, flood, earthquake, explosion, accident, transportation embargoes or delays, breakdown in machinery or equipment, acts of the public enemy, wars, riots and

public disorder, sabotage, strikes, lockouts, labor disputes, labor shortages, work slowdown, stoppages or delays, shortages or failures or delays of energy, materials, supplies or equipment, and acts or regulations or priorities of the federal, state or local governments.

11 Tooling, Prototypes, Drawings, Tools

- 11.1 Tooling and tools shall include models for the manufacture of castings, and the cutting and deburring tools, injection and punching tools, clamping and mounting devices for pieces to be machined as well as all other tools, devices, and tooling necessary to manufacture the Deliverables under the Order (collectively, "**Tools**").
- 11.2 Tools made on our behalf or for use in the Deliverables and paid for by us become our property as soon as payment is completed. Should we make a deposit or partial payment, we acquire joint ownership to the Tools in the proportionate amount of our deposit or partial payment. Transfer of possession will be substituted when the Contractor borrows the Tools from us with the diligence of a prudent businessman. The Contractor is liable for all damages occurring to the Tools while in its possession and must insure them at its own expense (against fire, theft, etc.). The Tools owned by us must be stored separately from items not owned by us. Our property rights must be noted on the Tools themselves and in the Contractor's account books. The Contractor may neither use the Tools for its own purposes nor make them available to third parties. After the contractual relationship has ended, the Tools must be surrendered and immediately transferred to us at Contractor's sole expense and responsibility.
- 11.3 The Contractor may neither use for its own purposes, nor offer, supply or make available to third parties items manufactured according to documents (such as drawings, models, etc.) that we prepared, or that were manufactured according to our confidential instructions or with our Tools or copies of our Tools.
- 11.4 We may demand the return of documents as well as of other items of all kinds, including models, drawings, tools that we have provided the Contractor at any time without having to provide a reason. The Contractor must return these items without charge within seven (7) business days after our demand. The Contractor can only claim a right of retention in cases of proportionally paid costs by providing evidence of an agreement differing from these conditions in every case. This condition also applies should the Contractor be insolvent.

12 Confidentiality

- 12.1 The Contractor undertakes not to disclose to any third parties (other than its agents or employees and only to the extent it is necessary for the purpose of performing its obligations hereunder), any detail in connection with our Orders, including without limitation the quantity and prices, technical specifications, commercial conditions, etc., as well as any other information requiring confidentiality concerning us or our business consciously or by accident received orally or in physical form from us ("**Confidential Information**"). The Contractor may not use the Confidential Information for any purpose other than in compliance with its obligations under the Order and these GT&C. The aforementioned shall not apply to the extent it is information in the public domain through no fault of the Contractor or it is required to disclose it by law.

- 12.2 The Contractor must return information, documents, as well as other items of any kind, provided by us without charge and without having been requested as soon as they are no longer needed to carry out the order.
- 12.3 Without derogating from any other remedy available to us pursuant to these GT&C or by any applicable law, in the event of violation of Sections 12.1 or 12.2 above for any reason within the reasonable control of the Contractor, it shall pay a contractual penalty in a sum equal to fifteen percent (15%) of the value of the Order. We reserve the right to claim this contractual penalty until final payment has been made. In addition, we have the right to terminate the contractual relationship with the Contractor without notice and without liability of any kind, and, when applicable, to demand the return of payments already made. Contractor acknowledges that damages for improper use of Confidential Information may be irreparable in particular when involving disclosing such Confidential Information to competing third parties, and therefore in any event of violation of this Section 12.3, we shall be entitled to seek equitable relief, including injunction, in addition to all other remedies available to us.
- 12.4 Placing our company on a reference list or posting or otherwise disclosing that Deliverables have been supplied to us for advertising purposes is not permitted without our prior written permission.

13 Assignment

The rights of the Contractor hereunder, and any of its right, title and interest in or to any Order may not be assigned, transferred, subcontracted or pledged by the Contractor, in whole or in part, without our prior written consent.

14 Place of Performance, Place of Jurisdiction, and Applicable Law

- 14.1 These GT&C and any Order or any matter related thereto, including, without limitation, matters of validity, construction, effect and performance, shall be construed and enforced under the internal laws of the Commonwealth of Kentucky, including the Uniform Commercial Code (“**UCC**”). The Convention on the International Sales of Goods shall not apply.
- 14.2 In connection with any disputes arising from these GT&C or any Order, the parties hereby consent to the exclusive jurisdiction and the convenience of the courts located in Kentucky, and agree to accept service of process by mail, and hereby waive any jurisdictional or venue defenses otherwise available to them. However, notwithstanding the foregoing we shall also be entitled to bring any action against the Contractor at its place of jurisdiction as determined by the general law.