

### GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

#### SECTION 1 SCOPE OF APPLICATION

1. The present Terms and Conditions shall apply to all sales contracts concluded by MAGNETEC (hereinafter "MAGNETEC") as Supplier.
2. These Terms and Conditions shall have preference over any deviating terms and conditions of the Purchaser.

#### SECTION 2 CONCLUSION/AMENDMENT OF CONTRACT

1. Purchaser's orders shall be deemed binding. They may be accepted by MAGNETEC either through written confirmation within fourteen (14) days or through delivery of the ordered goods by MAGNETEC within the aforementioned period.
2. All offers made by MAGNETEC shall be non-binding.
3. Subsequent amendments to contracts concluded with MAGNETEC must be made in writing.

#### SECTION 3 DELIVERY

1. MAGNETEC shall be entitled to effect partial deliveries. Deliveries within +/- 10% of the order quantity are appropriate.
2. Fixed-date purchases shall require explicit written confirmation by MAGNETEC.
3. In the event that a non-binding delivery date is exceeded by twenty (20) days, Purchaser shall be entitled to request delivery within a reasonable period. Issuance of this request places MAGNETEC in default. Should MAGNETEC fail to comply with this request within the reasonable period specified by Purchaser, Purchaser shall be entitled to cancel the contract. In respect of damages caused by default or delay, Section 9 (Limitation of Liability) shall apply.

#### SECTION 4 PASSING OF RISK, PLACE OF FULFILMENT

1. Risk passes to Purchaser upon delivery of the goods. This shall also apply in cases where MAGNETEC has assumed responsibility for the dispatch.
2. The transfer of risk as under Sub-section 1 shall also be deemed made even if Purchaser is in default of accepting delivery of the goods.
3. Place of fulfilment for delivery shall be the respective point of delivery of the goods.

#### SECTION 5 INVOICES

1. All prices quoted by MAGNETEC are net, i.e. exclusive of VAT.
2. Invoices made out to Purchaser by MAGNETEC shall be considered complete and correct in all respects unless challenged by Purchaser on justifiable grounds within thirty (30) days after receipt of the invoice. Claims arising under Section 8 (Product Liability/Defects in Quality and Title) shall remain unaffected.

#### SECTION 6 TERMS OF PAYMENT

1. Purchaser shall be liable to pay statutory default interest on payments still outstanding thirty (30) days after their due date and receipt of invoice or following receipt of an overdue payment reminder. We reserve the right to assert claims for damages caused by default in excess of this.
2. If Purchaser is in default of payment or if there exist reasonable grounds to doubt Purchaser's ability to pay and creditworthiness, provided these arise at a later date or become known to MAGNETEC at a later date, MAGNETEC shall be entitled – without prejudice to other rights -
  - (i) to cancel the contract;
  - (ii) to request additional security for delivered goods up to the limit stipulated under Section 7, Sub-section 4;
  - (iii) to request advance payments on outstanding amounts receivable;
  - (iv) to call due all claims, including interest, arising from the business relationship; and
  - (v) to repossess any goods which remain the property of MAGNETEC.
3. Purchaser can only offset such counterclaims against MAGNETEC that are undisputed or recognized by declaratory judgement by MAGNETEC.

#### SECTION 7 RETENTION OF TITLE

1. The goods supplied shall remain the property of MAGNETEC until all outstanding debts resulting from the business relationship between MAGNETEC and Purchaser have been paid in full. Purchaser shall, however, be entitled to resell and process the supplied goods in the ordinary course of business. Pledges, transfers by way of security or other encumbrances on the goods are not permissible.
2. Purchaser here and now assigns to MAGNETEC as security all claims accruing to it against third parties from the resale of the goods. Purchaser shall be entitled to collect the assigned claims on behalf of MAGNETEC, subject to revocation by MAGNETEC or until cessation of its payments to MAGNETEC. Assignments, pledges or other encumbrances on these claims are not permissible. Purchaser is not allowed to assign these claims in order to collect these debts by way of factoring, unless at the same time the factor is obligated to transfer the collected amounts up to the amount owed directly to MAGNETEC, insofar as MAGNETEC still has outstanding claims against Purchaser.
3. Purchaser shall inform MAGNETEC immediately of any third party enforcement measures and other seizures of goods to which MAGNETEC has retained title.

4. MAGNETEC shall, at Purchaser's request, release securities of its choice if and insofar as the realizable value of the securities to which MAGNETEC is entitled exceed MAGNETEC's claims against Purchaser by 20% or more.
5. For the duration of the period of MAGNETEC's retention of title to the goods, Purchaser undertakes to
  - (i) maintain the goods in a due and proper and saleable condition;
  - (ii) compensate MAGNETEC for any damage incurred to the goods during this period;
  - (iii) and ensure that the goods under MAGNETEC's retention of title are marked in such a way that third parties can clearly identify them as MAGNETEC's property.
6. MAGNETEC shall be entitled to insure the goods under retention of title at Purchaser's expense in an amount equal to their selling price, unless Purchaser has taken out insurance on behalf MAGNETEC and provides MAGNETEC with evidence of this insurance cover.

#### SECTION 8 PRODUCT LIABILITY DEFECTS IN QUALITY AND TITLE

1. All specifications given by MAGNETEC in respect of the characteristics (e.g. intended use, workmanship, application etc.) of the supplied goods are made to the best of our knowledge; however, these are quality descriptions and do not constitute any promises or guarantees. They do not release Purchaser from the obligation to check and otherwise examine the goods supplied.
2. Purchaser undertakes to examine the goods supplied for defects or damage immediately upon receipt – where reasonable also by means of a random sampling – and to inform MAGNETEC without delay of any defects or damage identified. Purchaser shall notify MAGNETEC of any defect or damage not apparent on reasonable examination but coming to light at a later date, immediately upon discovery of said defect or damage. Should Purchaser fail to examine or notify immediately in accordance with this Sub-section, the goods shall be considered accepted as delivered.
3. All claims on the part of Purchaser in respect of defects or damage to the goods supplied shall become invalid after a period of one (1) year after transfer of risk.
4. MAGNETEC's obligation shall be restricted at its own discretion to either subsequent performance (rectification of the defect or supply free from defects), cancellation of the contract or reduction of the purchase price. If subsequent performance fails or is unacceptably delayed, Purchaser shall be entitled to cancel the purchasing contract or demand a reduction in price.
5. MAGNETEC shall be liable for any further claims brought against it by Purchaser only to the extent set out under Section 9 (Liability Limitations).
6. Purchaser may only return rejected goods to MAGNETEC with MAGNETEC's explicit advance authorization.

#### SECTION 9 LIABILITY LIMITATIONS

1. MAGNETEC shall be liable for damage caused by intent or gross negligence, irrespective of the legal grounds. MAGNETEC shall also accept responsibility for other damages caused by negligence resulting from the violation of a material contractual obligation or the violation of life, body or health.
2. Insofar as a delay in delivery for which MAGNETEC is liable gives rise to default damages (Section 3, Sub-section 2), MAGNETEC shall be liable to pay damages amounting to a maximum of 0.5% of the value of the goods delayed for each full week of the delay, however, not more than 5% of the overall value of the goods concerned. In respect of the amount of damages incurred on other grounds, MAGNETEC's liability shall be limited to 10% of the respective value of the goods.
3. MAGNETEC shall not be liable for damages that were not foreseeable to MAGNETEC when the contract was formed or the obligation breached. This shall apply in particular to indirect damages, lost profits and other financial losses.
4. The foregoing limitations of liability shall not apply insofar as there is liability for damage to persons or property according to mandatory provisions of the applicable product liability law.

#### SECTION 10 PLACE OF JURISDICTION, APPLICABLE LAW, LANGUAGE

1. The place of jurisdiction for all disputes arising from the contractual relationship between MAGNETEC and Purchaser is Hanau, Federal Republic of Germany. MAGNETEC shall also be entitled to institute legal proceedings in connection with any matter arising from the contractual relationship at Purchaser's general place of jurisdiction.
2. All contracts concluded between MAGNETEC and Purchaser are governed by the substantive law of the Federal Republic of Germany.
3. The UN Sales Law Convention (CISG) shall not be applicable to contracts concluded between MAGNETEC and Purchaser.
4. The German version of these Terms and Conditions shall have precedence over any foreign language versions and is the sole legally valid and binding version for the interpretation of contracts signed between MAGNETEC and Purchaser. This shall also apply where translations of these Terms and Conditions of Sale are signed by the parties or where MAGNETEC makes such translations available to Purchaser.
5. Should any individual provision or any part of any provision of this Agreement be or become invalid or void, the validity of the remaining provisions hereof shall in no way be affected. In such case, the invalid provision shall be replaced by a valid provision coming as close as possible to the economic and legal sense and purpose of the invalid provision. The same shall apply in the event of a loophole in the contract.
6. Purchaser shall be notified in writing of any changes or amendments to these Terms and Conditions. These shall be considered accepted unless notice of objection is given in writing within six (6) weeks of notification of the amendment. MAGNETEC shall particularly draw Purchaser's attention to this implication when issuing notification of any changes.