

Standard Terms and Conditions of Sale of Seeger-Orbis GmbH & Co. OHG

1. General

1.1 These Standard Terms and Conditions of Sale apply to all of our current and future contracts, bids, deliveries and other services. The standard terms and conditions of the purchaser are hereby rejected and do not apply, even if they have been communicated to us in a confirmation letter or otherwise.

1.2 Oral side agreements, representations, warranties or guarantees, and the waiver, modification or supplementation of these Standard Terms and Conditions of Sale require written form in order to be valid.

1.3 If an Incoterms clause is referenced herein, then the version of Incoterms applicable on the date the agreement is concluded will apply, unless these Standard Terms and Conditions of Sale provide otherwise.

2. Bid, contract formation and delivery calls (Lieferabrufe)

Purchaser's orders are binding on him. Any contracts, modifications or supplements thereto and delivery calls (*Lieferabrufe*) must be made in writing. Delivery calls made in accordance with the agreement shall be binding, unless we reject them within two weeks after receipt.

3. Prices, price increases

3.1 Unless otherwise agreed, all quoted prices will be plus the costs of packaging and shipping and plus the applicable statutory value added tax.

3.2 We reserve the right to increase our prices appropriately in case cost increases occur following the conclusion of the contract, in particular due to increases of energy or material prices or increased personnel expenses. Such cost increases will be evidenced to the purchaser upon request.

4. Delivery, performance, transfer of risk

4.1 Our duty to perform will not arise unless and until we ourselves are properly supplied in a timely manner.

4.2 Unless otherwise agreed, we shall ship the goods *ex works* at the purchaser's expense, but will also be entitled to ship the goods from a location other than the place of performance set forth in subsection 13.2. We reserve the right to select the route and means of transportation. Risk will pass to the purchaser when the goods are physically delivered to the forwarding agent, carrier or other shipping agent. The aforementioned also applies even when we deliver the goods ourselves. Damages and losses incurred during transport must be promptly reported to us and must include a damage or loss verification issued by the shipping company. The damaged goods must be placed at our disposal.

4.3 Excess and short deliveries up to 10 % are permissible. In case a bigger tolerance is agreed upon or is customary in the business, this bigger tolerance shall apply. The actual quantity will be invoiced. The purchaser is obligated to accept partial performance (*Teilleistungen*), unless this would be considered an unreasonable onus on the purchaser in any given case.

4.4 The delivery period commences when the agreement is formed, but not before all documents, permits and approvals, which the purchaser must procure, have been submitted and not before all technical questions have been answered. If delivery periods are defined in terms of days, then only business days will count. Business days are all days except public holidays, Sundays or Saturdays.

5. Payment, set-off, withholding performance

5.1 Payments must be made in full (no deductions) within 30 days of the invoice date. A payment discount of 2% will be granted to the purchaser if payment is made within 14 days of the invoice date. For purposes of determining the timeliness of the payments, the date on which we receive the payment or a credit is unconditionally made to our account will be dispositive.

5.2 We are under no obligation to accept payment by check or bill of exchange. In any case, the submission of a check or bill of exchange will not be treated as formal payment, and such submission will not serve to defer our claim. Any costs incurred in using a check or bill of exchange shall be borne by the purchaser.

If payment of the purchase price is made using a means of payment which the purchaser has procured by discounting an acceptor's bill of exchange, then the purchase price claim will be

discharged only after the purchaser has cashed in the bill of exchange.

5.3 If two or more claims exist against the purchaser and the purchaser's payment does not suffice for repaying all of the claims, then the repayment will be deemed to have been made in accordance with the statutory provisions (§ 366 (2) of the German Civil Code), even where the purchaser has explicitly applied its payment to a specific claim.

5.4 The purchaser's statutory right of set-off exists only to the extent that the claims are undisputed or have been reduced to final judgment or ruling. A purchaser's statutory right to withhold or refuse performance (because there is a defect in the product, for example) will apply with respect to any such undisputed claims or claims reduced to final judgment or ruling, only if these claims arise from the same contractual relationship.

6. Retention of title

6.1 We retain title (ownership) to all goods delivered by us (hereinafter also referred to as the "Secured Goods") until all current or future claims against the purchaser based on this business relationship have been met. For current accounts, the title retention will serve to secure any credit balance we may have at any point in time.

6.2 Any processing or alteration of the Secured Goods will be deemed made on our behalf as the manufacturer within the meaning of § 950 of the German Civil Code, without thereby imposing any obligation upon us. If there is any processing or alteration of the Secured Goods using other goods not supplied by us, we will obtain a co-ownership interest in the new property equal to the ratio between the invoice amount attributable to the Secured Goods and the purchase price of the other processed or altered goods as of the time when the processing or alteration occurred.

In the event that the Secured Goods are combined or commingled with the purchaser's personal property such that the purchaser's property must be deemed the principal property, then the purchaser agrees here and now to convey to us its ownership interest in the entire property in the proportion of the value of the Secured Goods to the value of the combined or commingled property. If the Secured Goods are combined or commingled with the personal property of a third party such that the third party's property must be deemed the principal property, then the purchaser agrees here and now to assign to us the compensation claim, which it holds against the third party, in an amount which equals the final invoice amount charged for the Secured Goods.

The property created through the processing, alteration, combination or commingling (hereinafter referred to as the "New Property") or the (co-) ownership interest in the New Property to which we are entitled or which must be conveyed to us pursuant to this subsection 6.2 as well as the compensation claims assigned under this subsection 6.2 will serve to secure our claims in the same manner as the Secured Goods themselves pursuant to subsection 6.1.

6.3 The purchaser has the right to resell the Secured Goods or the New Property in the ordinary course of business but subject to the title retention. The purchaser is obligated to ensure that the claims arising from such resale transaction are assigned to us pursuant to subsections 6.4 and 6.5.

6.4 The purchaser's claims arising from the resale of the Secured Goods is hereby assigned to us. The purchaser's claims will serve as our security to the same extent as the Secured Goods. If the purchaser sells the Secured Goods together with the other goods not supplied by us, then the assignment of the claim will be limited to the amount of the final invoiced amount, which resulted from the resale of the Secured Goods. With respect to the sale of goods, in which we have co-ownership interest pursuant to subsection 6.2 or the statutory rules regarding the combination and commingling of property, the assignment of the claim will be made in an amount reflecting our co-ownership interest.

6.5 If the purchaser incorporates the claims arising from the resale of the Secured Goods into an existing current account relationship with its buyers, then it assigns to us here and now the final account balance or the recognized account balance, to which it becomes entitled, in an amount which equals the total claims that were generated by the resale of the Secured Goods and included in the current account relationship. Sentences 3 and 4 of subsection 6.4 apply *mutatis mutandis*.

6.6 The purchaser is authorized to collect the assigned claims from the resale of the Secured Goods or the New Property.

6.7 In the event the purchaser defaults on or stops a payment or in the event an application is filed for commencing bankruptcy proceedings or the purchaser's credit standing or trustworthiness is otherwise prejudiced, we will have the right to revoke the authority to resell the Secured Goods or the New Property pursuant to subsection 6.3 and will revoke the authority to collect the receivables assigned to us pursuant to subsection 6.6. In the event the authority to resell or collect the claims is revoked, the purchaser will be obligated, without undue delay, to inform the buyers regarding the claim assignment to us and to provide us with any and all information and documentation required to collect the claims. Moreover, in this case, the purchaser will be obligated to surrender or transfer to us any security or collateral, which had been provided to it for purposes of securing its claims against its buyers.

6.8 The purchaser is obligated without undue delay to inform us about any seizure, other legal or actual impairment or endangerment of the Secured Goods or any other form of security which is in place for our benefit.

6.9 The purchaser is obligated to handle the Secured Goods carefully. The purchaser agrees to adequately insure the Secured Goods against fire, water damage and theft (replacement value). It hereby assigns its claims under the insurance contracts and policies.

7. Reporting defects and the purchaser's rights in the event of defect

7.1 The defects, which can be identified upon inspecting the goods promptly after their delivery, must be reported to us in writing in a prompt manner but no later than within two weeks following the delivery of the goods. Other defects must be promptly reported in writing but no later than within two weeks following their discovery. For purposes of determining the timeliness of the report, the time at which the report is received by us will be dispositive. If a defect is not reported in timely manner, then any and all purchaser rights relating to defects will lapse.

7.2 At our request, the purchaser must return any rejected goods to us or to a third party designated by us. We will be responsible for reimbursing any freight costs for the return shipment, only if the return shipment is made at our request.

7.3 The purchaser's rights based on a defect will be limited to the right of subsequent performance [*Nacherfüllung*]. As part of the subsequent performance, we reserve the option of either remedying the defect or delivering a conforming good. If the subsequent performance fails, the purchaser may, in its discretion, either rescind the purchase agreement or reduce the purchase price.

7.4 If we are obligated by law to pay compensatory damages for a defect - irrespective of the cause of action upon which such damages are owed, including compensatory damage claims based on a breach of contractual duties [*Positive Vertragsverletzung*], fault during contractual negotiations and tortious conduct - then such obligation to pay compensatory damages will be limited in accordance with the provisions of section 8 below.

7.5 Any recourse claims enjoyed by the purchaser pursuant to § 478 of the German Civil Code remain unaffected. If we are obligated by law to pay compensatory damages in connection with any such recourse, then such obligation to pay compensatory damages will be limited in accordance with the provisions of section 8 below.

7.6 No defect claims will exist if the non-conforming condition may be attributed to a violation of operating, maintenance or installation rules, to inappropriate or improper use, to faulty or negligent handling, to ordinary wear and tear, or to changes made by the purchaser or third parties to the delivered items.

8. Liability

8.1 With respect to any damages, which are based on the intentional conduct on our part, and with respect to personal injury, we will be liable in accordance with the applicable provisions of law. In case of gross negligence or where the breach of material contractual duties was merely negligent but those duties are absolutely necessary for achieving the contractual purpose and the purchaser should have been able to rely on strict performance of those duties, we will be obligated pursuant to the provisions of law to compensate only those losses which, based on the nature and scope of the contract, were foreseeable at the time the contract was formed. Otherwise, the purchaser's claim for

compensation of any direct or indirect damages - irrespective of the cause of action upon which such claim is based, including a breach of pre-contractual duties or tortious conduct - is disclaimed.

8.2 Any statutory liability, which is based on the absence of a quality guaranteed by us or on the Products Liability Act, remains unaffected thereby.

8.3 The limitations on liability set forth in this section 8 also apply to any liability which our statutory representative, managing employees and other vicarious agents may owe to the purchaser.

9. Use in aviation, aerospace and radiation segments

Our products are not intended for use in aviation, aerospace and radiation segments. Our products may not be used in these segments. If the purchaser violates the aforementioned provision, the purchaser shall indemnify us with respect to any damages, costs and claims. The purchaser hereby disclaims its compensatory damage and cost reimbursement claims based on the defectiveness of our products.

10. Tools

Our tools which are used for the production of the goods remain our property and there is no obligation on our side to hand over such property to the purchaser, even if the tools have been specifically designed or built for the production of the goods and/or the purchaser has agreed to bear the costs of such tools. This also applies for the period of time following the termination of the contractual relationship between the parties. We will use such tools which have been specifically designed or built for the production of the respective goods for others with the purchaser's consent only.

11. Term and Termination of Contracts for the Performance of a Continuing Obligation (Dauerschuldverhältnisse)

If the contractual relationship between the parties has the legal character of a contract for the performance of a Continuing Obligation (*Dauerschuldverhältnis*), the term of such contract is twelve (12) months. The contract shall automatically renew for an additional twelve (12) month term each, unless it is terminated by written notice with a notice period of three months effective as of the end of the respective twelve month period.

12. Confidentiality

Each contracting party agrees to treat as a business secret any non-public business and technical information to which it becomes privy by virtue of the business relationship with the other party. Neither party may promote itself by referencing the business relationship, unless it obtains the prior written consent of the other contracting party.

13. Writing requirement, place of performance, judicial form and governing law

13.1 To the extent that these terms and conditions of sale prescribe a writing requirement, such writing requirement will also apply to any modification hereof.

13.2 Place of performance for delivery and payment is Königstein im Taunus.

13.3 If the purchaser is a merchant [*Kaufmann*], a governmental legal entity or a public fund [*öffentlich-rechtliches Sondervermögen*], then the exclusive judicial forum for any and all disputes arising directly or indirectly from this contractual relationship will be Königstein im Taunus. We reserve the right to file a legal action before any other court which may legally assert jurisdiction and venue, instead of before a court in the aforementioned judicial forum.

13.4 The laws of the Federal Republic of Germany apply to the exclusion of the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

NOTE

We digitally store and process data concerning the purchaser, to the extent this is required in order to duly administer the contractual relationship.