

## GENERAL TERMS AND CONDITIONS

### 1. Scope

- 1.1 These General Terms and Conditions (GTC) shall apply to all our contracts regarding the sale and/or the supply of goods and any other services including related services such as development, design and consultancy. These GTC shall also apply to all contracts we enter into as a contractor. These GTC shall not apply to purchases and contracts with consumers.
- 1.2 Our GTC shall be the basis for all future services and supplies according to subsection 1.1 as amended from time to time, even if their incorporation is not expressly agreed upon once again.
- 1.3 Our GTC shall apply exclusively. Deviating, conflicting or supplementary conditions of the customer shall only become part of the contract if and to the extent that we have expressly agreed to their application in writing.
- 3.5 If the shipping of the goods is delayed at the request of the customer, we shall be entitled to make other arrangements for the goods in question after setting a reasonable deadline and this deadline expiring and also to supply the customer with goods by a new reasonably extended deadline.
- 3.6 Any delays in delivery due to the customer insisting on changes to the original order shall be at the customer's expense. This shall also apply if the customer does not or not in time perform his obligation to supply data in the agreed form or if the supplied data are inadequate and have to be reworked.
- 3.7 The customer shall not be entitled to a claim for compensation if we order items, materials or services from our suppliers in order to perform an order placed with us and if these suppliers do not make the delivery of the items or services or do not deliver them in due time, unless liability is applicable as described in subsection 7. The customer will be promptly informed about the delivery delay. The customer is entitled to withdraw from the contract in case of a delivery delay of more than one month. The customer may also withdraw earlier if the delay is unreasonable for him.

### 2. Offers and conclusion of a contract

- 2.1 Our offers are non-binding. Contracts and supplementary agreements shall not be legally effective unless confirmed by us in writing.
- 2.2 After conclusion of the contract, any alteration or termination of the contract requires our express consent.
- 2.3 The specifications of our offer and our order confirmation as well as the specifications stipulated in a potential requirement specification sheet or confirmed by us form the basis for our services.
- 3.8 In the event of force majeure and any other unforeseeable, exceptional circumstances beyond our control, e. g. material procurement difficulties, operational breakdowns, war, terror etc., even if these occur with the upstream supplier, the delivery period shall be extended in reasonable scope if we are hindered from the timely fulfilment of our obligation. We are exempt from our delivery commitments when the aforementioned situations occur and make delivery or performance unacceptable or impossible. The customer is entitled to withdraw from the contract in case of a delivery delay of more than one month. The customer may also withdraw earlier if the delay is unreasonable for him.

### 3. Scope of supply and services

- 3.1 Delivery dates communicated by us shall be regarded as estimated and non-binding, unless these dates have been expressly assured by us.
- 3.2 We are entitled to render partial deliveries and services, and may also bill proportionally for the same.
- 3.3 The delivery shall be ex works in 09577 Niederwiesa (EXW Incoterms 2010), unless otherwise agreed with the customer. On delivery, the risk of any accidental destruction or accidental deterioration of the goods shall pass to the customer. Potential transport contracts and insurance policies with third parties shall be concluded by the customer at his own expense. The customer shall bear all incurring costs, duties and taxes.
- 3.4 The period of delivery is respected if the goods are provided at our facilities by the end of this period and if we announce readiness for dispatch.
- 3.9 If a binding delivery period extends through no fault of our own or due to force majeure or if we should be released from our obligation to deliver according to subsection 3.7 to 3.8, the customer has no right to derive compensation claims against us herefrom. Our liability according to subsection 7 shall remain unaffected. We shall only be entitled to appeal to the circumstances referred to above on condition that we notify the customer hereof immediately.
- 3.10 In case we do not comply with a binding delivery date, the customer has the right to withdraw from the

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contract, provided he granted us an adequate period of time and this period of time elapses without results. In other respects, subsection 7 shall apply regarding our liability.

contract sum. The customer may prove that no damage or minor damage was incurred.

### 4. Prices and terms of payment

- 4.1 Payment of our invoices in full shall be due 14 days after invoice date. Cash discounts shall only be acceptable upon agreement or if stated in the invoice.
- 4.2 If payment by instalments has been agreed and if the customer defaults on payment of an instalment by at least 10 days, the full amount will be due.
- 4.3 Unless otherwise agreed, our prices shall apply ex works including packaging, however excluding loading and transport, which shall be at the customer's expense. Value-added tax shall be added to the prices at the applicable rate.
- 4.4 Freight costs shall be charged to the customer's account directly by the carrier or by us if we arrange shipment in our own name.
- 4.5 Bills of exchange and cheques will not be accepted.
- 4.6 If the customer is in default with payment of due amounts, we are entitled to exercise the retention right for any outstanding deliveries or services according to § 273 German Civil Code until payment.
- 4.7 If the customer is in default with the payment, we are entitled to charge default interest according to § 288 German Civil Code notwithstanding further legal claims. On expiry of a reasonable deadline set by us, we are entitled to withdraw from the contract and assert our claims according to § 323 German Civil Code.
- 4.8 If after conclusion of the contract it becomes apparent that our claim for payment is jeopardized, we are entitled to defence of insecurity according to § 321 German Civil Code. In this case, we furthermore have the right to set a reasonable deadline in which the customer must, at its option, either make payment or provide security step by step in return for performance of the still outstanding services. After unsuccessful expiration of the deadline, we are entitled to withdraw from the contract and assert our rights according to § 323 German Civil Code.
- 4.9 If the customer is responsible for our withdrawal from the contract, he shall be obliged to compensate us for damages. We are entitled to demand a standard damage compensation in the amount of 30 % of the net

### 5. Retention of title

- 5.1 All delivered products remain our property until the complete payment of all claims arising from the business relationship with the customer (goods subject to retention of title). This also applies to future arising and conditional claims and if payments are made on specifically identified claims. As soon as the accounts have been settled in full, title to those goods that were delivered before such payment shall be transferred.
- 5.2 Processing and manufacturing of the goods subject to retention of title are carried out for us as the manufacturer in terms of § 950 German Civil Code without resulting in obligations for us. The treated and modified goods are deemed as goods subject to retention of title in terms of subsection 5.1. In case of processing, combining and commingling of the goods subject to retention of title with other goods by the customer, we shall obtain coownership in the new goods in proportion to the invoiced price of the goods to which title is retained to the invoiced price of the other goods. If our ownership expires due to the linking or mixing of the goods, the customer shall transfer the rights of ownership of the stock or the item that he is entitled to to us based on the scope of the invoice value of the goods subject to retention of title and shall store them for us free of charge. Our co-ownership rights shall be deemed as goods subject to retention of title in terms of subsection 5.1.
- 5.3 The customer is entitled to sell the products in the ordinary course of business unless he is in payment default. Extraordinary disposals such as pledging and collateral assignment to third parties are not permitted.
- 5.4 In the event of resale the customer hereby assigns his future claims arising from the resale against his customer and any further claims including all current account balance claims with all ancillary rights as security to us.
- 5.5 The customer shall be entitled to collect the claims assigned to us until revoked by us; such revocation is permitted at any time. We shall make no use of our own authorisation to collect as long as the customer meets his payment obligations. The collection authorisation expires automatically, if the customer suspends his payments, files for insolvency or opens insolvency proceedings or is rejected or in case of bill or cheque

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protest. In these cases, we may demand that the customer identifies the assigned receivables and their debtors, makes any statements necessary to collect on such accounts, delivers all related documents, and informs the garnishee about the assignment.

5.6 Without our prior written approval, the customer shall not be entitled to dispose of the resale receivables by assignment as collateral security or assignment as receivables, also by means of a purchase of receivables, unless it concerns an assignment by way of the real factoring which is reported to us and with which the factoring proceeds exceed the value of our secured claim.

5.7 The customer shall inform us immediately of any seizure of or other impairment to our goods subject to retention of title by third parties. The customer shall bear all costs related to the removal of the seizure of the goods subject to retention of title or incurring for the return transport, provided the costs are not paid by the third parties.

5.8 At request of the customer, we undertake to retransfer or to release the collateral security, provided the value of the collateral security exceeds our claim by more than 20 % in total.

### 6. Warranty

6.1 We guarantee that on transfer of risk the contractual objects are in the quality agreed and comply with all applicable statutory and official provisions in Germany. In the absence of such an agreement, standard quality within the meaning of § 434 para. 1 p. 2 no. 2 German Civil Code or § 633 para. 2 p. 2 no. 2 German Civil Code respectively shall apply. The quality of the samples approved by the customer shall also be considered as the agreed condition.

6.2 The warranty shall not extend to defects, performance losses, malfunctions or failures caused by

- Usual wear and tear,
- Excessive use,
- Faulty installation or incorrect treatment of the contractual objects,
- Improper storage or soiling,
- Improper or unauthorised usage,
- Modifications of the contractual objects or improper repair work by the customer or third parties without our prior written consent,
- Outside influences including force majeure.

6.3 Insignificant, reasonable deviations in the dimensions and designs, in particular in the event of repeat orders, shall not be deemed cause for complaint, unless absolute compliance of nuances and dimensions was expressly stipulated. Technical improvements and necessary technical modifications shall also be deemed compliant with the contract, as long as they do not constitute a deterioration in value.

6.4 If the customer stipulates the use of a certain material or if he furnishes us with the material to be used, we shall not be liable for any defect or damage arising from this material that occurs with our product or leads to defects with the product to be manufactured. We assume no obligation to inspect the material that exceeds standard inspection for obvious exterior damages.

6.5 The warranty period shall be 12 months, starting with the date of delivery. In the case of call orders or provision of a safety stock for our customer, this period shall start from the storage date of the manufactured products for our customer in the storage. For acts of wilfulness or gross negligence, fraudulent concealment of the defect, bodily harm or damage to health or defects in title within the meaning of § 438 para. 1 no. 1a German Civil Code as well as for guarantees (§ 444 German Civil Code) and claims arising out of tortious acts the statutory limitation periods shall apply, as well as for claims in accordance with the German product liability law.

6.6 The customer shall examine the goods delivered immediately on receipt and shall inform us in writing of any defects without delay, no later than 10 working days after receiving the contractual objects. We must be informed of any defects detected at a later time that could not be identified despite inspection, no later than 5 working days after gaining knowledge of the defect. Should notice of defect not be given or not be given in time, the contractual objects shall be considered approved. The customer shall keep the contractual objects claimed defective available for inspection by us. Our customer shall prove the existence of the defect at the time of the delivery.

6.7 In case of defects we have the right to remedy the defect at our own discretion at our facilities or at the customer's facilities or to provide the customer with non-defective goods (supplementary performance). Replaced goods shall become our property and shall be returned to us. We are entitled to employ third parties for the supplementary performance. If the

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defect was not remedied after a second attempt or if we do not execute supplementary performance within a reasonable period of time, the customer shall be entitled to reduce the price or to withdraw from the contract.

- 6.8 In other respects, we shall be liable in accordance with the liability provisions within the meaning of subsection 7.

### 7. Liability

- 7.1 According to the provisions of the law, we bear unlimited liability for damage resulting from injury to life, body and health caused by intentional or grossly negligent infringement of our obligations as well as for other loss caused due to a breach of duty resulting from intent or gross negligence or fraud. We moreover bear unlimited liability for damage covered by liability under mandatory legal provisions like the product liability act, as well as in the case of assumption of warranties.
- 7.2 For damages not covered by subsection 7.1 which were caused by simple or slight negligence, we shall be liable if this negligence involves the infringement of contractual obligations the fulfilment of which only makes the orderly fulfilment of the contract possible and on the observation of which the customer depends and may regularly depend (so-called cardinal duties). Our liability shall be limited to the foreseeable damage typical of the contract.
- 7.3 In case of slightly negligent breaches of duty we shall not be liable for damages not directly related to the delivered goods; in particular in such cases, we shall not be liable for loss of profit or damage to any other of the customer's assets (so-called consequential damage). Insofar as liability exists in such cases, it shall be limited to the foreseeable damage typical of the contract.
- 7.4 Any further liability shall be excluded.
- 7.5 The aforementioned provisions shall also apply to our employees and vicarious agents and any other third parties whose services we use to carry out our responsibilities.

### 8. Copyright

Unless agreed otherwise, we reserve the title and copyright to any drawings, data, technologies as well as any performance protected by copyright we render for the customer.

### 9. Contractual exclusion of setoff, contractual penalty

- 9.1 The customer shall only be entitled to set off payment of agreed remuneration against claims from us or exercise his right of retention if the counterclaim was either recognized by us or legally determined.
- 9.2 Contractual penalties shall only be accepted by us if they are negotiated individually in the contract, were written down and signed by us. Contractual penalties in the customer's general terms and conditions shall not be binding on us under any circumstances. All contractual penalties comprise the rights arising from §§ 339 et seq. German Civil Code with the proviso that the person who is willing to derive rights from a contractual penalty promise, shall set forth and prove all conditions herefore. Any contractual penalty shall be creditable against any other claims for damages. We reserve the right to prove that no or only minor damage has been incurred that would lead to the granting of liquidated damages and to reduce the liquidated damages accordingly. If a forfeited contractual penalty is deemed unreasonably high, it may be reduced by judgement according to § 343 German Civil Code. § 348 German Commercial Code shall not be applicable.

### 10. Final provisions

- 10.1 The place of fulfilment for the mutual legal relations shall be 09577 Niederwiesa.
- 10.2 The place of jurisdiction for all disputes shall be our domicile. We shall also be entitled to take legal proceedings against our customer at the customer's general place of jurisdiction.
- 10.3 The laws of the Federal Republic of Germany shall apply exclusively to the business relationship between the parties. The application of the German conflict of laws and the United Nations Convention from 11-04-1980 (CISG) is excluded.

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