

General Terms and Conditions of Delivery and Payment of MeierGuss Sales & Logistics, Heinrich Meier Eisengießerei GmbH & Co. KG and MeierGuss Limburg GmbH & Co. KG

1. General Information

1.1 The below Terms of Sale and Delivery shall apply to any and all agreements, offers and supplies. Other terms and conditions shall not become part of the agreement, even in the absence of an express rejection. We shall have the right to rescind the agreement, if the party placing the order rejects the applicability of our Terms of Sale and Delivery.

1.2 Any changes to our Terms of Sale and Delivery that apply to existing agreements shall be notified in writing to the party placing an order. They shall be deemed approved, unless objected to in writing by the party placing an order. The objection must be sent to us within one month as of our notification of the changes to the party placing an order.

1.3 Our offers shall be subject to change. An agreement shall be deemed concluded based on our written or electronically transmitted order confirmation. The scope of the delivery and service shall be governed by our order confirmation.

1.4 Any business mail (such as order confirmations, invoices, credits, bank account statements, payment reminders) printed with the help of data processing equipment shall be legally binding even if unsigned.

2. Prices

2.1 Our prices are ex works prices. VAT shall be charged separately in the amount as applicable on the day of invoicing. The cost of packaging, freight, postage, installation, taking into operation, and assembly, as well as any insurance costs, shall be charged separately.

2.2 Our prices are denominated in Euro. If, in exceptional cases, payment in a foreign currency has been agreed upon, any exchange rate changes shall be at the expense of the party placing an order.

2.3 In case of a general price increase of raw materials or energy by more than 10 % before production of the goods, we shall be entitled to increase the price by the factor of such price increase. If the price increase amounts to more than 10 % of the purchase price, the party placing an order shall be entitled to rescind the yet unfulfilled part of the purchase agreement free of charge.

2.4 Unless otherwise provided in section 2.3, we shall be bound to the prices agreed for an order for a period of 4 months as of contract conclusion. If longer periods have been agreed for the performance of the delivery or service, we shall - in the event of an increase in the cost of material or labor - be entitled to an extra charge in accordance with the occurred cost increase, based on our original price calculation.

2.5 Deliveries to ordering parties located in other member states of the European Union, who have legitimately notified their VAT registration number to us, shall be made exempt from VAT. Any changes to the VAT registration number must be notified promptly. If it turns out that the VAT exemption has been claimed wrongly, we shall be entitled to retroactively charge VAT. The party placing the order shall be moreover liable to pay damages to us.

3. Terms of Payment

3.1 Our invoices shall be payable net and free of costs within 30 days as of the invoice date, or – if there are no arrears – with a 4 % cash discount if paid in advance or with a 2 % cash discount if paid within 14 days.

3.2 Bills and checks shall be accepted in exceptional cases only if so expressly agreed, and only as an undertaking to pay and only under the reserve of acceptance by us. Entitlement to a cash discount shall not exist in case of payment by note. Discount and other charges shall be borne by the customer and shall be due and payable promptly.

3.3 The party placing an order may offset its claims against our claims only if such claims are undisputed or if they have been established as final and absolute.

The party placing an order shall have a right of retention only in respect of claims under the same contractual relationship, which claims must be undisputed or established as final and absolute. If the legal requirements are met, the party placing an order shall be fully entitled to the defense of lack of performance of the contract (Sec. 320 of the German Civil Code (BGB)).

In case of defects in the delivery, the party placing an order may - under such circumstances - withhold payment of the fee only in the amount equaling the value of the poor delivery.

3.4 If the party placing an order is in arrears with payments of whatever nature, or should its financial circumstances become significantly worse, all payments owed by such party shall become due and payable promptly. This shall also apply to invoices that have been originally deferred and to bills and checks that would become due and payable at a later point in time.

Such deterioration in the financial circumstances is to be expected, for example, if bills or checks are objected to, or if a bad debt insurance refuses coverage or considerably reduces coverage, or if the limit set by the bad debt insurer is exceeded or would be exceeded as a result of the intended delivery. In that we are entitled to demand advance payment for all further deliveries.

3.5 We shall be entitled to offset claims, which other group companies of the MeierGuss Group (MeierGuss Sales & Logistics GmbH & Co. KG, Heinrich Meier Eisengießerei GmbH & Co. KG, MeierGuss Limburg GmbH & Co. KG) may have against the respective ordering party, against claims of the ordering party.

4. Delivery

4.1 The terms for, or dates of delivery shall be binding only if confirmed by us in writing. The delivery time shall be deemed complied with if we notify, within the agreed-upon deadlines, that the goods are ready for dispatch.

4.2 Compliance with the terms for delivery requires the timely receipt of all documents to be provided by the party placing an order, fulfillment of all necessary cooperation obligations by the party placing an order and compliance with the terms of payment. Should the party placing an order fail to perform its required or agreed-upon cooperation actions, the term for delivery shall be reasonably extended.

4.3 If service or delivery is delayed by the occurrence of inevitable events, the term for delivery shall be reasonably extended. If delivery cannot be made for a period in excess of three months for the same reason, or if it becomes impossible on this account, we shall be entitled to rescind the agreement in respect of those parts of the delivery that have not been fulfilled. In that case, we shall promptly inform the party placing an order of the delay and of the impossibility and shall refund any considerations that we have already received.

Inevitable events (force majeure) in this sense shall include, in particular, disruptions, labor disputes, official interferences, shortages in raw materials, shortfall of subcontracted supplies and default on the part of sub-suppliers, breakdown of major production facilities or machines, shortages in basic materials and energy shortfalls, and delays in transportation.

4.4 If acceptance of the delivery or service has been agreed upon, the respective terms and conditions shall be specified at the time of contract conclusion. Acceptance shall take place promptly after a readiness for acceptance has been notified by the supplier. The costs of acceptance shall be borne by the party placing an order. If acceptance does not take place within two weeks as of a formal notification of the goods' readiness for acceptance, such goods shall be deemed accepted.

4.5 We reserve the right to make partial deliveries, provided that this is reasonable for the party placing an order.

4.6 If shipment and transportation should be delayed for more than one month as of notification that the goods are ready for dispatch for reasons within the area of responsibility of the party placing an order, we shall be entitled to charge to the party placing the order a storage fee in the amount of 0.5 %, but not more than 5 %, of the price of the delivery items per month or part thereof. The obligation to demonstrate higher storage fees shall rest with us, while the obligation to demonstrate lower storage costs shall rest with the party placing the order. If dispatch is delayed by more than three months on these accounts, we shall have the right to rescind the agreement and to claim damages in the event of culpable behavior by the party placing the order.

4.7 Deliveries shall be ex works (EXW Incoterms). The risk of accidental loss and accidental deterioration shall pass to the party placing the order once the goods have been delivered to the carrier, but no later than once they have left our factory. If dispatch should be delayed for reasons within the area of responsibility of the party placing an order, the risk shall pass to the latter once the notification that the goods are ready for dispatch has been made.

5. Deliveries for Production Purposes, Long-Term and Call Orders

5.1 Unless a term has been expressly agreed in agreements on deliveries for production purposes and long-term agreements, such agreements may be terminated, in writing, by either party with a 6-month notice period to the end of the month.

5.2 The prices are calculated based on the agreed-upon purchase order quantities. If no binding purchase order quantities have been agreed, the calculation will be based on the agreed-upon target quantities. If the purchase order quantity or target quantity is undercut, we shall be entitled to increase the price per unit accordingly. The amount of the price increase shall depend on the supplier's bases of calculation.

5.3 In case of call orders, the party placing the order must notify binding quantities at least three months before the delivery date, unless otherwise agreed. Extra costs caused by the party placing the order as a result of a late call order or subsequent changes to the call order in terms of time or quantities, shall be borne by the party placing the order; the calculation of such extra costs shall be based on the supplier's calculation.

5.4 In case of deliveries for production purposes, an excess or short delivery of 10 % compared to the ordered quantity shall be permitted due to the peculiarities of the casting process. This does not comprise a change in the unit prices.

6. Weights and Measures

The images, weights and measures provided in our catalogs, price lists and offers and in the order confirmations shall constitute only approximate information. In as far as weight has been taken as a basis for calculation, the weight determined by means of our scales shall be the relevant weight.

7. Pallets

The cost of pallets is to be borne by the customer, unless the customer can provide equivalent pallets on acceptance of the goods and/or delivery (pallet exchange). The pallets become the customer's property insofar as they are paid for.

8. Reservation of Title

8.1 We shall reserve title to any and all delivered goods until all of our claims against the party placing the order, for whatever reason, have been satisfied. If liabilities are included in current accounts, the reservation of title shall apply to the respective balance.

We shall be entitled to take back the goods if the party placing the order is in arrears. The goods shall be credited with the amount of the actual proceeds, after deduction of the costs of exploitation and return of the goods. The party placing the order shall be obligated to insure the property against fire, water and theft. Upon conclusion of the contract, the claims against the insurer shall be assigned to us. If the party placing the order is asked, but fails, to prove that sufficient insurance coverage has been taken out, we shall be entitled to insure the delivery item against theft, breakage, fire, water and other damages at the cost of the party placing the order.

8.2 The party placing the order shall be entitled to further process the delivery items in its ordinary course of business or to retail them by agreeing to an extended reservation of title. It shall not be entitled, however, to any other type of disposal.

The right of exploitation by the party placing the order shall expire once it fails to comply with its payment obligations, once it otherwise grossly breaches the concluded agreements, or once it experiences financial collapse. Financial collapse here means suspension of payment, excessive indebtedness, filing for insolvency proceedings or any other serious change in the financial circumstances of the party placing the order, which may result in a threat to the securities.

8.3 Goods subject to reservation of title are processed on our behalf (Sec. 950 of the German Civil Code). In case of joint processing for several suppliers, we hold title pursuant to Sec. 947 et seq. of the German Civil Code. Should the party placing the order combine or blend the delivered object with an object that he owns such that the object of the party placing the order must be considered as the principle object, the party placing the order shall assign to us already now a co-ownership share in the principal object at the ratio of the value of our object to the value of the principal object. The co-ownership share shall remain the property of the party placing the order, who is safekeeping the object for us.

8.4 The party placing the order shall hereby assign to us all claims and ancillary rights resulting from the resale, in accordance with our ownership share. It shall not be entitled to agree a prohibition of assignment.

If the sale takes place after processing, combination or blending, the party placing the order shall already now assign that portion of the claim resulting from the resale and corresponding to our ownership share in the sold object, if such processing, combination or blending has resulted in co-ownership.

If the sale takes place together with objects that are owned by third parties, without it being clear which part of the claim arising from the resale is apportionable to the supplier's reservation of title goods, the party placing the order shall already now assign to us part of the claim resulting from the resale at the ratio of the value of the supplier's reservation of title goods to the value of the objects owned by third parties. In case of partial payment by the customer of the party placing the order, the claim assigned to us shall be deemed to be satisfied last.

8.5 The party placing the order shall be entitled to collect the assigned claims in the ordinary course of business. Such entitlement shall expire in the events specified in Sec. 8 para. 2. The party placing the order shall then be obligated to assist with the collection of claims.

8.6 The party placing the order shall already now assign to us the claims resulting from the sale of the assigned claims to a factoring company. Without prejudice to the in rem effectiveness of the above assignment, the party placing the order may assign the claims, which have been assigned to the supplier within the scope of the extended reservation of title, only within the scope of true factoring (i.e. if the factorer assumes the risk of insolvency of the debtor).

8.7 The party placing the order shall already now assign to us compensation claims against debt insurers, if and in as far as insurance coverage exists for the claim that has been or must be assigned to us under the above provisions.

8.8 If we have signed, as issuer, a note accepted by the party placing the order against a check of the party placing the order, payment shall be deemed to have been made only upon payment of such note by the party placing the order.

8.9 We shall be obligated to release any securities that we are entitled to, if their realizable value should exceed the total claim to be secured by more than 20 %. In case of several securities, we may choose which securities we wish to release.

8.10 The party placing the order shall promptly inform the supplier about any and all pledges and other claims made by third parties on the goods that we own.

9. Warranty

9.1 We shall warrant that the objects supplied by us are free from material defects and defects of title. The criterion for contractual conformity of the supplied products shall be the respective contractual description of the products and their intended use in the agreement concluded with the party placing the order. The party placing the order shall accept minor changes to the construction, shape and design of the goods and to the values specified in the description and minor changes to the service, in as far as such changes are reasonable or if they constitute standard tolerances as to quantity, quality or execution.

Rust marks do not affect the quality and do not constitute a defect. For the sake of the environment we mostly do not coat the surfaces of our products. If product surfaces are coated, coating tears or notches/scratches may occur due to production or the features of the product in question. These do not constitute a defect.

9.2 If the products are manufactured and supplied according to drawings, specifications, samples etc. provided by the party placing the order, the latter shall assume the risk of fitness for the intended use. In that case, we shall be liable only for the products conforming to the specifications of the party placing the order.

9.3 Consulting or construction tasks shall be performed only if so agreed in writing.

9.4 The party placing the order shall be obligated pursuant to Sec. 377 of the German Commercial Code to inspect the goods and notify any defects. Defects shall be notified to the supplier in writing within eight days as of receipt of the goods. Defects that were not identifiable at the time of inspection of the incoming goods shall be notified in writing within eight days as of becoming aware of them.

9.5 Warranty claims shall be excluded, however, if the defect has been caused by incorrect or negligent treatment, poor or improper maintenance, inappropriate use or improper employment, incorrect assembly or because of interferences caused by special external influences upon the passing of risk, which were not foreseen in the contract.

9.6 Defects shall be notified in writing and named exactly.

At our request, the party placing the order shall be obligated to send products, that have been reprimanded to be defective, to the supplier for examination purposes. If a notification of defects proves to be justified, the supplier shall bear the return costs.

9.7 In the event of a defect, we undertake to, at our discretion, either correct the defects of the affected components or services free of charge, deliver new products or provide the service again. In the case of supplementary performance, we are obligated to bear transport, travel and material costs, provided that these are not increased because the product was transported to a location other than the place of delivery. Within the context of supplementary performance, we shall only reimburse the costs of disassembly and installation of faulty products up to 10 % of the product value. Any claims for damages remain unaffected by the above.

9.8 Unless otherwise provided by mandatory law, the party placing the order shall be obligated to first set us an adequate deadline for supplementary performance, in writing, before being able to assert other warranty claims.

Such deadline shall be normally three weeks, at least; this shall not apply if a shorter deadline is contractually agreed in the individual case or if a different deadline is mandatory, e.g. in urgent cases where unreasonably large damages are imminent or where general plant safety is at risk.

If supplementary performance is not concluded by the deadline set, the party placing the order shall be entitled to assert its statutory rights, in particular to rescind the agreement, to declare a reduction of the purchase price, or to claim damages subject to Sec. 9.

A deadline is superfluous if we have finally and seriously refused to render such supplementary performance or if supplementary performance is impossible.

9.9 The party placing the order may claim damages instead of performance only if the delivery of the defective object would constitute a major breach of duty.

Claims for damages due to possible collateral damages that occur independently of the supplementary performance (e.g. production downtimes, lost profit, claims due to late delivery to customers of the party placing the order etc., Sec. 280 of the German Civil Code) may be asserted only if an appropriate deadline for supplementary performance, which has been set in writing, has expired in vain. Otherwise, claims for damages shall be governed by Sec. 10.

9.10 The warranty period shall be one year as of delivery of the purchase object.

Such shorter warranty period shall not apply in case of intent or malice. Claims for damages shall be subject to the statutory warranty period, if and in as far as we are liable for damages according to Sec. 10. In case of defects to buildings or defects to objects, which according to their usual application are used for a building and cause such building to become unsound, the statutory period of limitation of five years shall apply (Sec. 438 para. 1 no. 2 of the German Civil Code). The warranty period for supplementary performance work carried out or replacement parts supplied shall exist only until the end of the warranty period for the original delivery.

9.11 If the grace period has expired in vain, we shall have the right to set a deadline of two weeks and ask the party placing the order to assert its further warranty claims against us. If such claims are not asserted within such deadline, we shall remain entitled to render supplementary performance.

9.12 The party placing the order may hold us liable for product defects, for which it is held liable by its customers, only insofar as it has not made any arrangements with its customers that exceed the domestic legal provisions, in particular warranty liability. In these cases, the scope of our warranty liability to the party placing the order is governed, *mutatis mutandis*, by the above regulations.

9.13 In case of a supplier recourse after the legally bidden fulfillment of the warranty claims of a consumer pursuant to Sec. 478, Sec. 479 of the German Civil Code, the statutory regulations shall apply subject to the following modification:

We cannot be held liable, by way of recourse, for defects, if defectiveness results from agreements of the quality of the object provided to the consumer, which have been concluded with the consumer and which differ from the agreements that we have concluded with the party placing the order. Therefore, in case of a supplier recourse in terms of Sec. 478, Sec. 479 of the German Civil Code, the question of whether a defect exists or not depends solely on the agreement of quality that we have concluded with the party placing the order.

If the party placing the order is held liable to repair or replace an item, it must promptly notify us and give us an opportunity for supplementary performance. It must provide us with the goods for inspection and treatment purposes.

A claim for damages in terms of Sec. 478 para. 2 of the German Civil Code shall exist only if we have failed or refused to provide supplementary performance within a reasonable deadline.

Apart from that, the claim for damages of the party placing the order under Sec. 478 para. 2 of the German

Civil Code shall be limited to the costs that would have been incurred if we had rectified the supplied product at the place of delivery that we have agreed with the party placing the order, or if we had made a subsequent delivery to such place. For any additional expenses that may be incurred by the party placing the order as a result of supplementary performance or claim by way of recourse in terms of Sec. 478 para. 2 of the German Civil Code, we shall pay a lump sum of 5 % of the aforementioned costs in any case of warranty – regardless of whether such additional expenses are evidenced or not.

Sec. 478, Sec. 479 of the German Civil Code shall not apply to claims for damages.

10. Compensation for Damages

10.1 We shall be held liable for damages, irrespective of legal basis, only

- if we, our legal representatives or assistants have acted with intent or gross negligence;

- if we have made guarantees: for the fulfillment of such guarantees to the agreed-upon extent. Guarantees must be made in writing and must be clearly identified as such; - in case of injury to life, limb or health;

- in the event of other mandatory statutory liability (e.g. German Product Liability Act, German Environmental Liability Act and the like).

10.2 In case of slight negligence, we shall be held liable for damages, irrespective of legal basis, only if material contractual obligations have been violated, unless a case according to para. 1 exists. In case of a violation of material contractual obligations caused by slight negligence, our liability for damages shall be limited, in terms of amount, to the typical, foreseeable damage.

The party placing the order shall be obligated to advise us before contract conclusion, in writing, of any specific risks, atypical contingencies and unusual amounts of loss.

Liability for any consequential damages in excess thereof, for lack of economic success, for indirect damages and for damages caused by third-party claims shall be excluded.

10.3 If the subject matter of the purchase agreement is an object that is determined only generically, our liability shall, again, be governed only by the above provisions. Liability for damages regardless of fault shall be excluded.

10.4 The above provisions shall apply, *mutatis mutandis*, to claims for compensation of wasted expenses (Sec. 284 of the German Civil Code).

11. Order-related Production Equipment, Parts to be Cast Integral

11.1 Order-related production equipment, such as models, stencils, core boxes, chill-molds, casting tools, appliances and gauges provided by the party placing the order shall be sent to us free of charge. We shall check for compliance of the production equipment ordered by the party placing the order with the contractual specifications or drawings and samples that we have been provided with only if so expressly agreed. We shall be entitled to change the production equipment provided by the party placing the order if this seems necessary for casting reasons and if it does not alter the item.

11.2 The costs for changing, servicing and replacing the ordering party's production equipment shall be borne by the latter. We shall treat and store the production equipment with the same care that we apply in our own matters. We shall not be obligated to take out insurance. We shall be entitled to return any of the ordering party's production equipment, which we no longer require, at the latter's cost and risk, or to destroy such equipment if the party placing the order fails to comply with our request to pick up such equipment within a reasonable period of time.

11.3 Order-related production equipment that we have produced or procured on behalf of the party placing the order shall remain our property, even if we charge costs on a pro rata basis. We shall keep and store such equipment for a period of three years as of the last cast. If the party placing the order has paid the full price of the production equipment, we shall be obligated to transfer ownership to the latter.

11.4 If production equipment that can be used only once becomes waste, the party placing the order must either provide new equipment or bear the cost of the replacement equipment.

11.5 Parts to be cast integral by us must be supplied by the party placing the order in true-to-size, impeccable condition. Parts that have become waste must be replaced free of charge by the party placing the order.

12. Property Rights and Copyrights

12.1 The documents and drawings provided to the party placing the order, and our rendered constructive services and suggestions as regards the configuration and production of the cast parts, whether physical or non-physical, including in electronic form, shall be our property and subject to our copyright.

The party placing the order may use them only as intended within the scope of the agreement and may not make them accessible to third parties or to the public without our approval.

12.2 The party placing the order shall be responsible that the documents, items and the like, which we have been provided with by the party placing the order, do not infringe the property rights of third parties. The party placing the order shall indemnify us from third-party claims and make up for any loss suffered in this context.

12.3 Incidentally, we shall be responsible that the products supplied by us do not infringe the property rights of third parties that apply within the Federal Republic of Germany.

We shall – at our own choice – either obtain a right of use or alter the product / service such as to no longer infringe the property rights, or we shall replace the product. If this cannot be done on reasonable terms, the party placing the order shall be entitled to all available warranty claims. In such cases, the party placing the order shall be obligated to promptly inform us, in writing, about any and all claims made by third parties and to leave all defense and claims settlement actions to us.

Should the party placing the order discontinue the use of products or services in such cases, it shall be obligated to inform the third party that such discontinuation of use does not mean that it is admitting to an infringement of property rights.

Claims of the party placing the order shall be excluded, if the party placing the order is responsible for the infringement of property rights. They shall be moreover excluded if the infringement of property rights has been caused by specific demands of the party placing the order or by a kind of application that we could not foresee or by the fact that the delivery was changed by the party placing the order or used together with products that we have not supplied.

13. Final Provisions

13.1 The place of performance for all services under agreements shall be our place of business.

13.2 The place of jurisdiction for all disputes arising under delivery agreements shall also be our place of business. We shall be entitled, however, to sue the party placing the order at its general place of jurisdiction.

13.3 Should individual provisions of the present Terms of Delivery be or become invalid, this shall not affect the validity of the remaining provisions. In that case, the Parties shall be obligated to agree instead on a valid provision that comes closest to the intent of the invalid provision.

13.4 All legal relationships in connection with this Agreement shall be governed by German law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

13.5 The data that is necessary to process business transactions shall be stored at a central location.

13.6 The present Terms of Delivery shall apply to any and all transactions with persons acting in a commercial or independent professional capacity (entrepreneurs) at the time of conclusion of this Agreement, or with corporate bodies under public law or special funds under public law.