

General Terms and Conditions of Sale and Delivery

Stueken Precision Deep Draw Technology (Shanghai) Co., Ltd.

1. Miscellaneous

The legal relationships between Stueken Precision Deep Draw Technology (Shanghai) Co., Ltd. (hereinafter referred to as „STUEKEN“) and the Customer are exclusively limited to the General Terms and Conditions of Sale and Delivery as detailed below and shall take precedence over any and all previously issued General Terms and Conditions (Customer or sub-contractor).

STUEKEN warrants that, at the time of delivery, the goods conform to all mutually agreed specifications. Any, not mutually agreed, product or process related requirement, including not expressly appointed customer standards are expressly rejected.

2. Quotation and Contract Conclusion

All STUEKEN offers are subject to change without prior written or verbal notification. Resultant orders, conclusions and supply calls as well as any amendment or supplement to such must be made in writing and shall only become binding when confirmed in writing by STUEKEN. Verbal agreements, which are made before or upon conclusion of the contract must also be confirmed in writing by STUEKEN in order for them to be legally enforceable.

3. Quantity Determination

STUEKEN's written order confirmation is required to verify acceptance of quantity ordered. Shipment deviations from ordered quantity are permitted up to +/- 10 %.

The values determined by STUEKEN in the outgoing goods inspection shall be decisive for the numbers of units, weights and dimensions, subject to any other proof being provided. In the event that the number of units is determined by STUEKEN through reference weighing then this shall also be decisive if the actual number of units deviates up to 1 % due to measurement tolerances, etc. In this case the Customer shall neither be entitled to an additional delivery nor to any reduction and damages.

4. Date of Delivery or Shipment

Delivery date shall not be binding unless a binding delivery date has been expressly agreed upon in the contract. Firm deals must be expressly agreed upon in writing. A binding delivery date is deemed to have been observed if the object of delivery has either been handed over by STUEKEN to a shipping agent, freight forwarder or any other person or institution appointed to execute the dispatch or the Customer has been informed by STÜKEN that the goods are ready for dispatch.

The delivery date shall be postponed by a reasonable period of time if the Customer is in arrears with his payment or any other obligations towards STUEKEN. Should conditions dictate, the delivery date may be postponed until such time that the Customer resumes a current payment status or until such time that technical and commercial issues have been satisfactorily clarified.

In case of late performance by STUEKEN, the Customer may only withdraw from the contract, assert a claim for damages besides the performance and damages instead of the performance if default has occurred and the Customer has in addition to this fixed an appropriate final deadline for the performance. This final deadline is to be fixed in writing.

Damages for a breach of the obligations may only be demanded by the Customer in the case of willful intent, gross negligence, because of injury to life, the body or the health or due to the breach of essential contractual obligations.

Should the Customer assert damages caused by default, then these shall be limited for each full month of the default to 1/2 %, for a maximum however of 5 %, of the value of that part of the total delivery, which cannot be delivered or used on time due to the default.

In the event that the dispatch is delayed for reasons for which STUEKEN may not be held responsible then the Customer, beginning from one month after the notification of readiness of dispatch, shall be invoiced for the costs incurred for storage with at least 1/2 % of the invoice amount per month, insofar as the Customer shall not prove that no damages have been incurred whatsoever or that the damages were far less significant.

5. Transfer of Ownership

Ownership of goods and all related risk and responsibility shall pass onto the Customer according to agreed Incoterm. Also, if partial deliveries take place or STUEKEN has assumed other services, e.g. the dispatch costs or carriage.

If requested by the Customer the consignment will be insured at his cost by STUEKEN against theft, breakage, transport, fire and water damages as well as other insurable risks.

In the event that the dispatch is delayed due to circumstances, for which the Customer may be held responsible, then the risk shall pass onto the Customer on the day of the readiness for dispatch; STUEKEN undertakes, however, at the request and at the cost of the Customer to procure the insurances which the Customer requests.

Partial deliveries by STUEKEN are permitted.

The Customer is obliged to purchase the total quantity of ordered goods within six months of the date of the contract. In the event that the Customer fails to issue releases for the total order quantity within this period, STUEKEN reserves the right to ship all remaining product or to withdraw from the contract. In such instance, the Customer is obligated to pay the original contract price less any non-incurred costs. STUEKEN also reserves the right to invoice for any discount which was extended to the Customer based upon original order quantity.

6. Production Tooling Equipment

Tooling and related drawings are considered proprietary information and such remain property of STUEKEN. Tooling shall be used exclusively for the manufacture of the stated requirements unless otherwise directed by Customer. STUEKEN assumes responsibility for ongoing tooling maintenance and tooling repair costs. Tooling changes as a result of customer-initiated design changes shall be quoted separately.

Quoted tooling costs are partial costs only. The Customer is obligated to pay associated tooling costs as detailed in pertinent STUEKEN quotations. STUEKEN retains ownership of all tooling, production equipment and related documentation.

7. Force Majeure

Force majeure, industrial disputes, unrest, measures by authorities and other unforeseeable, unavoidable and serious events release STUEKEN for the duration of the disturbance and to the extent of their impact from the obligations of performance. This shall also apply if these events occur at a point in time at which STUEKEN is in default of the performance. STUEKEN undertakes to provide the necessary information within the framework of that which is deemed as reasonable and to adapt its obligations to the changed circumstances in good faith.

8. Pricing

Unless otherwise confirmed in writing, STUEKEN pricing is “ex-works” including loading but excluding packaging. Value added tax shall be added to quoted pricing in the amount and manner as legally required.

Unless otherwise confirmed in writing, all quoted prices are exclusive VAT.

In the event of significant circumstances which dictate price alterations (raw material, wages, labor or other cost factors), STUEKEN reserves the right to implement pricing revisions.

9. Terms of Payment

Invoice date is the date of delivery. The agreed payment period starts with the day of delivery.

Unless otherwise agreed upon and confirmed in writing, payment is to be made by check or bank transfer immediately on receipt of goods, without any reductions, free of charges to the bank account of STUEKEN. Payment by bank draft is not accepted. VAT in the valid applicable rate will be due and payable upon invoicing.

In case agreed payment dates are not adhered to then STUEKEN shall be entitled to charge interest for default of 8 percentage points over the respective basic interest rate. This shall also apply for the case that payments are granted a respite.

It is not permitted to retain the payment or to set these off against any counter claims of the Customer contested by STUEKEN.

10. Liability

Unless otherwise expressly agreed, our manufacturing is based on mass production conditions and bulk handling. Quality requirements are controlled by sampling; zero-defect cannot be guaranteed. Individual defects are explicitly possible and no reason for complaint.

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The liability of STÜKEN shall be limited to the agreed characteristics only (customer specification). Any applicable legal or normative requirements resulting from the special application must be clearly identified by the Customer and confirmed by STÜKEN.

The responsibility for suitability and function lies exclusively with the Customer. The Customer shall fully inform STÜKEN, especially in the case of legal requirements, about the exact function as well as special requirements resulting from the use of the delivered STÜKEN products in the Customer's product, in written form before placing the order. Confirmation of the facts shall be made exclusively in writing by STÜKEN.

Raw material manufacturers do not warrant their products to totally exclude material inclusions, overlaps or rolling defects. Irregularities in the strip material may therefore result in deep draw parabolas, material overlaps or fissures in the deep drawn product. Should the potential for surface defects be deemed detrimental to component function, then 100% secondary inspection (manual or automated) must be considered and quoted separately. We refer to DIN EN 10247.

The Customer undertakes to examine the goods immediately on receipt. STUEKEN is to be informed of any case of non-conforming product immediately in writing no later than 10 days after receipt of goods. Non-visible defects are to be notified in writing no later than 10 days after being ascertained. In the case of a delay in the notification of the default there shall no longer be any warranty whatsoever.

In case customer decided to use corrodible materials and/or processes, STUEKEN cannot be held responsible for any corrosion related defects occurring on customer side or parts exceeding the agreed storage time on Stueken side. If no shelf-life is appointed, the maximum storage period before delivery is limited to 3 months.

Subsequent, outsourced processes (e.g. heat-treatment, surface-plating, nitriding) bear an increased, process related risk of defect parts. This includes defects originated by bulk handling, such as dents, deformations, mixture etc. as well as failures caused by the process itself. Stueken assumes such defects as accepted by the customer.

Prior to shipment the goods are checked in the customary scope or to the customer's specifications, respectively, at the STUEKEN facility. Further tests and analyses are carried out only by special agreement. The outgoing inspection at STUEKEN does not release the buyer from his obligation to an incoming inspection.

Furthermore, claims for defects shall not exist in the following cases:

Unsuitable or improper use, faulty assembly by the Customer or a third party, natural wear and tear, faulty or negligent handling, excessive use, unsuitable production equipment and facilities, substitute materials, chemical, electro-chemical or electrical influences, insofar as they are not the result of a fault of STUEKEN.

In the case of justified complaint STUEKEN is entitled to choose to correct the fault or provide a substitute delivery (subsequent performance). In order to carry out all measures which STUEKEN may deem necessary at their own reasonable discretion, the Customer undertakes after coordination with STUEKEN to allow the necessary time and opportunity, otherwise STUEKEN is released from the liability for defects.

In the event that STUEKEN is not in the position to rework or replace deficient goods or is entitled to refuse the subsequent performance, or there shall be a delay in the subsequent performance beyond a reasonable deadline, for which STUEKEN is responsible, or should the subsequent performance fail twice, then the Customer is entitled to choose to either terminate the contract or to demand a corresponding reduction in the purchase price. STUEKEN shall be released from any liability for any consequences resulting from any changes or further processing undertaken for instance on the part of the Customer or a third party without the prior consent of STUEKEN.

In the event that a claim for subsequent performance is asserted against the Customer by his buyer or their buyers the Customer undertakes to give STUEKEN the opportunity to carry out the subsequent performance personally within a reasonable period of time. The Customer undertakes to impose this obligation on his buyer accordingly. Should the Customer be in breach of this obligation STUEKEN may reduce the reimbursement of

expenses to the amount, which would have been incurred in the case of an own subsequent performance.

Other claims of the Customer, in particular a claim for compensation for damages, which have not been incurred on the object of delivery itself, are excluded. This exclusion of liability shall not apply in the case of willful intent, gross negligence as well as in the case of culpable breach of essential contractual obligations, due to injury to life, the body or the health. The claim for damages due to the breach of essential contractual obligations is, however, limited to the contractual-typical, reasonably foreseeable damage, which is in turn limited to a maximum of the value of the goods in the delivery concerned injury to life, the body or the health.

Warranty claims expire after 12 months. This does not apply if longer periods are mandatory by law, particularly for deficiencies in a building or product used in a building according to its general purpose causing the deficiencies. For damages resulting from injury to life, limb or health and in case of intent or gross negligence or other breach of essential contractual obligations (i. e. obligations whose fulfillment allow for the proper execution of the contract in the first place and on whose observance the customer regularly relies and may rely) or not otherwise stipulated by the law of the PRC caused by the legal representatives or executives of STUEKEN, sentence no. 1 does not apply.

The statutory consequences of a breach of the commercial obligation for inspection and complaint (according PRC Civil Code §620ff) shall remain unaffected by this.

11. Reservation of Title

STUEKEN reserves the right to the property for the delivered object until all payments under the contract of delivery have been made in full.

The Customer may neither pledge nor assign the delivered object for security. He must inform STUEKEN immediately in the case of pledges as well as seizure or any other disposals by third parties.

Should the Customer breach the terms of the written contract, including delinquent payment, STUEKEN reserves the right to reclaim the goods and the Customer agrees to return said goods to STUEKEN.

STUEKEN's assertion of the reservation of title as well as the pledging of the delivered object shall not be deemed as a withdrawal from the contract.

Further processing or rework of STUEKEN goods by the Customer may only be performed subsequent to receipt of written authorization from STUEKEN. Should the STUEKEN goods be further assembled or combined with other product/components which are not the property of STUEKEN, Customer shall grant to STUEKEN partial ownership of the created product in relation to the value of the STUEKEN goods to the created product.

The Customer is entitled to sell the delivered goods - also after further processing - in usual and proper business transactions. However, he undertakes to reserve the right to ownership until his purchase price claim has been paid in full. Independent of this the Customer hereby assigns already the accounts receivable against his buyer to which he is entitled from the resale with all secondary rights to STUEKEN. In the event of the resale after processing the assignment shall apply as in the amount of the sale value of the reserved goods of STUEKEN. The buyer is entitled to collect the assigned accounts receivable from the third-party buyer, undertakes however to remit these to STUEKEN immediately. STUEKEN reserves the right to also collect the account receivable directly from the third-party buyer, who is to be named for this purpose.

STUEKEN shall insofar release the securities held by him as their value shall exceed the accounts receivable to be secured by more than a total of 20 %.

12. Confidentiality

All documents, which are produced by STUEKEN or made available by the Customer - such as samples, drawings, models, data as well as other information and similar documents made available - are, insofar as they are not clearly determined for the public, not to be made accessible to third parties.

STUEKEN also undertakes not to make the afore-mentioned documents and objects accessible to third parties and not to use these for any other purpose than that as agreed in the contract. STUEKEN also undertakes to store these objects at their own costs during the performance of the contact.

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13. Property rights of third parties

The product is manufactured according to the customer's specifications. STUEKEN can therefore accept no liability that the product manufactured by STUEKEN on behalf of the buyer is free of third-party rights. Thus, the buyer warrants an exemption in the event that during the course of carrying out the order STUEKEN has to intervene in the property rights of third parties and STUEKEN is supposed to be held reliable in this regard by the production and delivery of the ordered goods.

14. Place of Performance

Place of performance and location of the contract fulfillment shall be the STUEKEN facility.

15. Court of Jurisdiction

All disputes arising out of or in connection with this Contract including any question regarding its existence, validity or termination, shall be finally settled by arbitration to the exclusion of the regular courts being competent for a decision in respect of the dispute.

The case shall be submitted for arbitration to the China International Economic and Trade Arbitration Commission, arbitration proceedings shall be held in Shanghai, P.R. China.

The arbitrator(s) shall be appointed from outside the CIETAC's Panel of Arbitrators.

The arbitration procedure shall be conducted in English and in accordance with the procedural rules of the above-mentioned arbitration institute selected by the parties.

16. Applicable law

In addition to the contractual provisions the decisive law of the People's Republic of China shall apply exclusively for the legal relationships of domestic parties, with the exclusion of conflicting laws.

17. Escape Clause

In the event that one or more provisions of these terms and conditions of sale and delivery shall be or become unenforceable this shall have no effect on the validity of the remaining provisions and on the contract as a whole.