

The Silbitz Group General Conditions of Purchase - Valid from 1 February 2015

1. Scope

- (1) The following terms and conditions of purchase apply exclusively to all deliveries and services (hereinafter referred to as deliveries) to our businesses, Silbitz Guss GmbH, Silbitz Guss GmbH, ZGG - Zeitzer Guss GmbH. Separate conditions apply to our company Eurocast Kosice s.r.o. We do not recognise deviating conditions unless otherwise agreed in writing. Our conditions of purchase shall also apply in the event of our unconditional acceptance of deliveries from the supplier or a third party, in the knowledge that the suppliers' conditions are contrary to or differ from our conditions of purchase.
- (2) All supplementary agreements that are entered into between us and the supplier for the purposes of executing this contract shall be set out in writing in this contract.
- (3) Our conditions of purchase apply to all future deliveries and services to us, even if they are not the subject of a further separate agreement.

2. Offers - Offer Documents

- (1) In so far as our offers do not expressly contain a commitment period, the supplier is obliged to accept our order within two (2) weeks from the date of the offer. The date on which we receive the declaration of acceptance of the order shall determine whether the order has been accepted in time.
- (2) If we do not receive appropriate confirmation from the supplier within two (2) weeks from the date of the order, we are entitled to revoke the order without stating any reasons. The supplier shall not derive any claims against us as a result of this.
- (3) We are entitled to terminate the contract at any time with a written declaration and indication of the reason if we are no longer able to use the products that have been ordered in our business due to circumstances arising after entering the contract. In this case the supplier will be remunerated for the partial services that have rendered.

3. Prices - Payment Conditions

- (1) The price stated in the order shall be binding. In the absence of an alternative written agreement, the price shall include all expenditure in connection with the delivery provided by the supplier 'free point of delivery' and shall also comprise packaging.
- (2) If the price agreed upon does not include packaging and the payment for the packaging (which is not only provided on a loan basis) is not expressly determined, the supplier may charge us at cost price (proof to be provided). Suppliers must take back the packaging at their own expense at our request.
- (3) Statutory VAT is not included in the price.
- (4) We can only process invoices if they contain (in accordance with the specifications on our order) the order number shown on our order form; the supplier is responsible for any consequences resulting from non-compliance with this obligation, unless the supplier is able to prove that he is not responsible for these consequences.
- (5) Invoices shall always be sent to the respective company separately from the goods that are delivered.
- (6) Unless otherwise agreed in writing, we pay the purchase prices within 20 days calculated from the day the goods are delivered and the receipt of invoice with a 3% discount, within 30 days with a 2% discount or net within 60 days after receipt of the invoice. When invoices are received late, the date the invoice is received is considered to be the start of the discount period.

- (7) We shall have the right to set-off and retain payments to the extent permitted by law.
- (8) Should we fall into arrears with a payment, we will pay debt interest to the sum of five percentage points over base in accordance with § 247 BGB (German Civil Code).

4. Delivery Period and Delivery

- (1) The relevant delivery period (delivery date or delivery lead time) stated in our order or otherwise in accordance with these general conditions of purchase is binding.
- (2) The supplier is obliged to notify us in writing without delay should circumstances occur or if he becomes aware of circumstances which indicate that the agreed delivery date cannot be met.
- (3) We shall be entitled to statutory claims in the event of delivery delays. After the expiration of a reasonable deadline, we are especially entitled to claim compensation instead of the services or to withdraw from the contract. In the event that we make a claim for damages, the supplier has the right to prove that it is not liable for breach of duty.
- (4) The supplier shall not be entitled to make partial deliveries without our prior written consent.
- (5) We will assume the costs of transport insurance if we have agreed upon such fulfillment in writing.
- (6) The supplier is obliged to comply with the relevant export control regulations and to provide us the export control code in writing along with the delivery without waiting for a request upon delivery at the latest.

5. Acceptance and Transfer of Risk - Documents

- (1) Deliveries shall be effected free to the place of use unless agreed otherwise in writing. Risk is only transferred to us when the goods have been delivered to the premises specified, even if the delivery has been agreed upon. The receipt of goods does not constitute acceptance in terms of the legal regulations.
- (2) In the case of the assembly of goods that has been agreed, the risk is transferred to us when we have successfully completed our acceptance. Operational start-up or use, even within an agreed trial operation, shall in no way constitute a declaration of acceptance.
- (3) We only accept excess or short deliveries of commercial goods of up to 5% of the quantities ordered.
- (4) The supplier is obliged to clearly indicate our order number on all shipping documents and delivery notes; we cannot be held responsible for processing delays if the supplier fails to comply with this obligation.

6. Inspection for Defects - Liability for Defects

- (1) We are obliged to inspect the goods for any discrepancies in quality or quantity within a reasonable period; the notification of defects shall be deemed to be in good time if it is received by the supplier within a period of 10 working days calculated from the date of the receipt of the goods, or in the case of latent defects, upon discovery thereof.
- (2) We shall have an unrestricted right to use the statutory claims for defects; at any event we shall be entitled to request that the supplier repairs the defect or supplies a new item according to our choice. The right to claim damages, in particular the right for damages instead of performance, remains explicitly reserved.
- (3) We shall be entitled to rectify the defect ourselves at the expense of the supplier, if risk may be caused by delay or if there is particular urgency.

- (4) The period of limitation is 36 months calculated from the time that the risk was transferred.

7. Product Liability - Indemnity - Liability Insurance Cover

- (1) The supplier shall be responsible for all claims asserted by third parties due to personal injury or damage to property that are attributable to a faulty product that it has supplied and is obliged to release us from the resulting liability. If we are obliged to initiate a product recall affecting third parties due to defects in one of the products delivered by the supplier, the supplier shall bear all costs caused by the recall.
- (2) The supplier shall be obliged to maintain product liability insurance at its own expense, with coverage of at least EUR 1.5 million as a lump sum per case of personal injury/damage to property. The supplier shall send us a copy of the liability policy upon request at any time.
- (3) Further supplier liability shall not be excluded by this agreement.

8. Other Claims for Damages

- (1) Claims for damages and the reimbursement of expenses with regard to the supplier are excluded. Unless we are compulsorily obliged by law, this shall not apply particularly in the case of intent and gross negligence due to injury to life, body or health, or due to the infringement of essential contractual obligations. In the event of claims for damages due to the infringement of essential contractual obligations, liability is limited to damage which is typical for the contract and which could have been foreseen, insofar as no intent or gross negligence exists or insofar as no liability has been assumed for injury of life, body or health. The above rulings do not constitute any change in the burden of proof to the disadvantage of the supplier.
- (2) The statutory limitation periods apply to claims for damages with regard to the supplier from paragraph 1.

9. Legal Requirements

- (1) The supplier shall ensure that its company complies with all legal and regulatory requirements, including the directive on hazardous substances and the safety recommendations issued by the appropriate German professional bodies and associations.
- (2) Furthermore, the supplier is obliged to acquaint itself with the most recent laws and guidelines that apply to the components included in the delivery and to comply with these laws and guidelines. The supplier shall declare separately any dangerous and hazardous substances in accordance with any applicable legal requirements and directives. Appropriate safety data sheets shall be submitted together with the offer and with the initial delivery along with the delivery note. Furthermore, we must be notified immediately of any breaches of substance restrictions and the delivery of hazardous substances.
- (3) Adherence to the accident prevention regulations that apply on delivery shall be the sole responsibility of the supplier. Any protective equipment that may be necessary shall be also be delivered free of charge along with the manufacturer's instructions.

10. Property Rights

- (1) The supplier shall guarantee, subject to paragraph 2, that no third party rights shall be infringed in connection with its delivery in countries in the European Union or in other countries where it manufactures the product or has it manufactured.
- (2) If a third party makes a claim against us based upon the infringement of industrial property rights as defined in paragraph 1, the supplier shall be obliged to exempt us from these claims upon first written request; this does not apply if the supplier is able to prove that it is not responsible for the infringement of property rights or that it should have been made aware of this through the exercise of due diligence at the time of the delivery.

- (3) The supplier's duty to indemnify shall apply to all expenses which we necessarily incur through or in connection with the claims asserted by a third party.
- (4) The statutory provisions apply to claims relating to an infringement of property rights against the supplier.

11. Reservation of Title - Provision - Instruments - Confidentiality

- (1) Applies to any orders, commissions, images or drawings provided to the supplier from us. We reserve all proprietary rights and copyrights to calculations and other documents; they may not be disclosed to third parties without our written consent or be used by third parties or be reproduced. They may only be used for manufacturing purposes for the purpose of our order and must be returned to us in full after completion of the order without us having to make a request, unless they are no longer needed by the supplier in the regular course of business or if negotiations do not result in the conclusion of a contract. Any copies the supplier may have made of the documents are to be destroyed; this excludes any data stored pursuant to the statutory storage duties and the storage of data as a back up as part of usual data storage practice. Furthermore, this must be treated as confidential with respect to third parties.
- (2) Where we order parts from the supplier, we reserve the right to ownership of them. Processing or modification is performed for us by the supplier. If the goods subject to our retention of title are processed with other objects not belonging to us, then we shall acquire co-ownership of the new item in proportion to the ratio of the value of our item (purchase price plus VAT) to the other processed items at the time of processing.
- (3) If the goods made available to us are combined inseparably with other objects not belonging to us, then we shall acquire co-ownership of the new item in proportion to the value of the item subject to reservation of ownership (purchase price plus VAT) to the other items that were combined at the time they were combined. Should the items be combined together in such a way that another item is considered to be the main object, it is agreed that the supplier grants us proportional joint property rights; the supplier keeps the sole or joint property rights in his custody for us.
- (4) Tools, equipment and models which are provided to the supplier or are produced for contractual purposes and are charged separately by the supplier remain our property or shall become our property. They are to be identified as our property by the supplier, stored carefully, secured against damages of all kinds and only to be used for contractual purposes. The supplier already transfers to us any damages claims arising from this insurance; we hereby accept the transfer. The supplier is obliged to carry out any necessary servicing and inspection work on our tools, including all maintenance and repair work in good time and at its own expense. The supplier must inform us immediately of any faults; in the event of non-compliance with this requirement, we reserve the right to claim damages. The supplier is obliged to handover the items in fully operative condition after the first request if he no longer needs them to fulfill the contracts concluded with us.
- (5) The supplier is obliged to ensure that all images, drawings, calculations and other documents and information remain strictly confidential. Information may only be disclosed to third parties with our express permission. The obligation to maintain confidentiality also applies after the execution of this contract; it becomes invalid if and when this manufacturing knowledge shown in the transferred images, drawings, calculations and other documents has become common knowledge.
- (6) Should the security rights due to us as detailed in para. (2) and/or para. (3) exceed the purchase price of the owned goods which we have yet to pay by more than 10%, we are obliged to relinquish the security rights of our choice if requested to do so by the supplier.

12. Place of Jurisdiction - Place of Fulfillment

- (1) Gera is the sole place of jurisdiction for all disputes arising from the contractual relationship. We shall also be entitled to bring action at the law courts at the supplier's domicile.

- (2) The place of execution for both parties is the point of delivery designated in the respective order confirmation.
- (3) Should separate provisions of the conditions of business be ineffective, the validity of the remaining provisions of the contract shall not be affected. Invalid provisions shall be replaced by the legal regulation.
- (4) The agreements concluded between us and the supplier are subject to the law of the Federal Republic of Germany, excluding the application of the United Nations Convention on Contracts for the International Sale of Goods.

Data Protection Information:

The supplier acknowledges that we store data concerning the contractual relationship for the purposes of data processing in accordance with § 28 of the Federal Data Protection Act and that we reserve the right to transfer data to third parties insofar as this is necessary for the fulfilment of the contract (e.g. insurance).