

General terms and conditions of sale and delivery
Schnöring GmbH - Jahnstraße 15 - 58579 Schalksmühle
Revised: 4 April 2019

The following terms and conditions, clauses 1 - 14, apply to commercial transactions with all customers who are not consumers within the meaning of § 13 BGB (German Civil Code) and have their registered office in Germany. Clause 15 applies only to customers domiciled abroad.

1. General

1.1 Deliveries, services and offers are made exclusively on the basis of these terms and conditions.

1.2 They therefore apply to all future business relationships, even if they are not expressly agreed again. Upon receipt of the goods or services at the latest, these terms and conditions shall be deemed accepted. Objection is herewith made to any conflicting customer confirmations with reference to the customer's conditions. This also applies in the event that the customer has stipulated a specific form for the objection. Deviations from these terms and conditions are effective only if we confirm them in writing.

1.3 Orders and any additional verbal agreements concerning orders made with our sales representatives must be confirmed in writing by us to be effective.

2. Conclusion of contract, subject to receipt of our own deliveries

2.1 Our offers are subject to change and non-binding. We reserve the right to make technical changes within reasonable limits,

and to adapt our products to any subsequent standardization.

2.2 By ordering goods, the customer makes a binding declaration that they wish to purchase the ordered goods (contractual offer). We are entitled to accept this contractual offer within two weeks of the date of its receipt by us. Acceptance can be made either expressly in written or text form or by consignment of the ordered goods.

2.3 Conclusion of the contract is subject to correct and timely delivery to us by our own suppliers. This applies only in the event that we are not responsible for the non-delivery. We always conclude a congruent covering transaction for your order. Nevertheless, there is a risk that deliveries to us may not be punctual due to the supply situation on the metal market. Conclusion of the contract is therefore subject to the contractual supply of primary material to us. In the event that deliveries to us are not punctual despite our covering transaction, we will inform you immediately.

3. Pricing, packaging, shipping, metal prices and surcharges

3.1 Unless otherwise agreed, prices are in € ex works excluding freight, packaging, insurance, metal surcharges and excluding value added tax. In all cases, the prices stated in our order confirmation plus the applicable statutory turnover tax are applicable. For very small quantities,

surcharges will be levied by special

agreement.

3.2 Confirmed prices for an order are in no case binding for subsequent orders of similar parts.

3.3 If no express instructions for packaging and shipping are provided by the customer, we reserve the right to choose the packaging and transport route. Packaging material that is not subject to return in accordance with packaging regulations is charged by us at cost price.

3.4 Where listed metals are used, the full price is made up of the processing price and the metal surcharge. The processing price is subject to the fixed agreement of the parties. Unless another date is specified in the order confirmation, the metal price is calculated at the market rate on the date on which the order is supplied.

3.5. Only for supply contracts with a term of more than three months between conclusion of contract and delivery: Due to the volatile price trends on the metal market, we reserve the right to adjust the price on the basis of the metal price quotation on the date of production, even if a full price has been agreed (i.e. price including metal surcharge). We will provide proof of the current metal price quotation on the date of production and the resulting change in price.

4. Payment terms and conditions

4.1 Unless otherwise agreed, our invoices are payable to us within 30 days without deduction, our representatives have no power of collection. The customer is under a contractual obligation to pay the purchase price within 30 days of receipt of the goods. After expiry of this period, the customer is deemed to

be in default of payment. Despite any customer provisions to the contrary, we are entitled to first offset payments against the customer's prior debts. If costs and interest have already been incurred, we have the right to charge the payment first against costs, then on interest and finally on the principal claim.

4.2 A payment is deemed to have been made only when we have the amount at our disposal. In the case of payment by security, which we reserve the right to accept in individual cases, payment is deemed to have been made only when the security has been redeemed. The associated costs and expenses are borne by the customer.

4.3 During the period of default, the customer must pay interest on a debt of 7 % above the base interest rate in accordance with § 247 BGB (German Civil Code). We expressly reserve the right to assert further claims for damages caused by default, which must be specifically proven. Equally, the customer retains the right to prove that an interest loss as a result of the default has occurred in a lesser amount, or has not occurred at all.

4.4 If the customer fails to meet their payment obligations, in particular by not honoring or redeeming a check or bill of exchange or by discontinuing their payments, or if we become aware of other circumstances which call into question the creditworthiness of the customer to an extent that is significant for the business relationship, we reserve the right to make the entire remaining debt payable, even if we have accepted checks or bills of exchange. In this case, we are also entitled to demand advance payment or provision of security.

4.5 The customer is entitled to offsetting, retention or reduction, even if

defects or counterclaims are asserted, only if the counterclaims have been legally established or are undisputed. The exercise of any right of retention is only permissible if the counterclaim originates in the same legal relationship.

5. Delivery periods, delays in delivery, liability for delayed delivery

5.1 Delivery periods shall not commence before full clarification of all details of execution.

5.2 Adherence to delivery dates presupposes that customers fulfill their contractual obligations.

5.3 We are not responsible for delays in delivery and performance due to force majeure and due to events which make delivery significantly more difficult or impossible for us (including for example strikes, lockouts, official orders, storms etc.), even if they occur at our suppliers or their suppliers, and even in the event of binding agreements on periods and deadlines. This applies for example to delayed metal deliveries for which congruent covering transactions are in place. These entitle us to postpone the delivery or performance for the duration of the disruption plus a reasonable start-up period, or to withdraw from the contract in whole or in part with respect to the unfulfilled part of the service.

5.4 If the hindrance continues for longer than two calendar months, the customer is entitled, after a reasonable grace period, to withdraw from the contract with respect to the unfulfilled part of the service. If the delivery time is extended or if we are released from our obligation, the customer cannot derive any claims for damages from this.

5.5 We may invoke the circumstances

set out in clauses 5.3 and 5.4 only if we inform the customer without delay of the occurrence of these events.

5.6 We are liable for damages caused by delay in accordance with the statutory provisions if the delay is due to an intentional or grossly negligent breach of contract for which we are responsible. If the delay is not due to an intentional or grossly negligent breach of contract for which we are responsible, our liability for damages is limited to the foreseeable damage typically occurring in such cases. We are also liable for damages caused by delay in accordance with the statutory provisions if the delay for which we are responsible is due to the culpable breach of a material contractual obligation, in which case the liability for damages is limited to the foreseeable damage typically occurring in such cases. In addition, we are liable for damages caused by delay in delivery for which we are responsible for each completed week of delay in the form of lump-sum compensation for delayed completion in the amount of 0.5% of the delivery value of the goods affected by the delay, but to a maximum of 5% of the delivery value of the goods affected by the delay. Further legal claims and rights of the customer which do not concern damages remain reserved to the customer.

6. Delivery quantities, delivery contracts on call

6.1 Our products are mass-produced. Excess deliveries or short deliveries of up to 10% of the order or call-off quantity are therefore in line with the industry standard and are considered to be contractual fulfillment.

6.2 For contracts with ongoing delivery on call, the call-off quantities and delivery dates must be notified to us when the order is placed. We are entitled to manufacture the total quantity of the

order in accordance with our production planning at any time during the delivery period, unless express agreements to the contrary have been made. Once the total quantity has been manufactured, subsequent changes to the ordered goods are not possible.

6.3 The customer is under a contractual obligation to schedule and accept the order quantity during the term of the contract. If the order quantity has not been accepted during the call-off period, we are entitled, without prejudice to our further legal rights, to demand acceptance and payment of the entire remaining quantity. At the end of the term of the contract, the customer is deemed to be in default with the acceptance of the part of the order quantity that has not been scheduled and called off.

6.4 The unit price for the parts to be delivered is calculated on the basis of the total quantity set out in the framework contract. This quantity is to be regarded as the target quantity and contractual basis for pricing. If the target quantity is not accepted, prices shall be adjusted accordingly on the basis of the quantity actually accepted. As part of this adjustment, the customer is obliged to make subsequent payment for the quantity accepted.

6.5 If a call-off period is not specified and in the event that the customer has not made any call-off within a period customary for call-off, we are entitled to set a period for further call-off and, after its fruitless expiry and without prejudice to our further legal rights, to demand acceptance and payment of the entire remaining order quantity.

6.6 If prices are fixed for a period longer than three months, we have the right to require an appropriate adjustment of the prices if

extraordinary increases in wages, primary material or other costs occur which were not foreseeable at the time of conclusion of the contract. The agreed prices cannot be changed for other reasons, in particular not in the event of a lower offer from a competitor.

7. Shipping and transfer of risk, acceptance

7.1 Risk is transferred to the customer as soon as the consignment has been handed over to the person carrying out the transport or has left our warehouse for the purpose of shipment. This also applies if delivery free domicile has been agreed. If shipment becomes impossible without us incurring fault, the risk is transferred to the customer upon notification of readiness for shipment. Unless the customer has given express instructions in this regard, the choice of shipping method remains ours. Transport damage must be notified to the forwarding agent or freight carrier immediately upon receipt of the consignment and a certificate must be issued.

7.2 We take out transport insurance only if the customer requires us to do so and bears the associated costs incurred.

7.3 In the event of collection by the customer, the customer must collect goods which have been notified as ready for shipment without delay. If the customer fails to meet this obligation within three working days of notification of readiness for shipment, we are entitled, at our own discretion, to dispatch or store the goods at the customer's expense and risk. Goods reported as ready for shipment are charged as delivered. With the notification of readiness for shipment, the risk is transferred to the customer.

8. Notice of defects, warranty, damages

8.1 We assume the warranty for the goods supplied by us in accordance with the following provisions, which contain the final warranty rules only and which do not constitute a guarantee in the legal sense. For goods for resale, any manufacturer's warranties remain unaffected by these terms. Claims for defects made by customers presuppose that customers have duly and properly fulfilled their obligations to inspect and give notice of defects (see 8.3 below).

8.2 The warranty period is 12 months, unless the product delivered has been used for a structure in accordance with its customary usage and has caused its defectiveness. It begins on the date of delivery. If our technical data sheets or instructions are not followed or changes are made to the products, the warranty is not applicable if the customer does not prove that the notified defect is not based on these circumstances.

8.3 The customer is obliged to inform us in writing of any apparent defects without delay, but no later than within two weeks of receipt of the article of sale, and to describe the defect precisely. Defects which cannot be identified within this period, even after careful inspection, must be notified to us in writing immediately after identification and must be described precisely. In the event of a breach of these provisions, assertion of the warranty claim is excluded. The customer bears the full burden of proof for all prerequisites for the claim, in particular for the defect itself, the time of its identification and the timeliness of the customer's complaint.

8.4 In the event of a justified notice

of defect, we may at our own discretion provide supplementary performance by means of subsequent improvement or replacement.

8.5 If the supplementary performance fails to resolve the problem after an reasonable deadline set by the customer, the customer may at their own discretion demand a reduction in payment or cancellation of the contract. However, in the event that the performance constitutes only a negligible breach of contract, in particular in the case of only minor defects, the customer has no right of withdrawal.

8.6 If the customer chooses to withdraw from the contract as a result of a legal or material defect after supplementary performance fails to resolve the problem, the customer is not entitled to any additional claim for damages due to the defect. If the customer chooses compensation for damages after supplementary performance fails to resolve the problem, the goods remain with the customer if this can be reasonably expected. The amount of payment for damages is limited to the difference between the purchase price and the value of the defective item. This does not apply if we have caused the breach of contract maliciously.

8.7 Unless expressly agreed otherwise, the contractual quality of stamped and bent parts is determined exclusively on the basis of our product description and the approval drawing countersigned by the customer and, if applicable, the approval sample. The approval sample is used only to verify the approval drawing, and submission of the sample is not associated with any specification of quality. Public statements, promotions or advertising do not constitute a contractual description of the quality of the goods. According to the

currently applicable technical standards (e.g. DIN EN ISO 4042, DIN EN ISO 9587, DIN EN ISO 15330), complete elimination of the risk of hydrogen embrittlement is not technically possible using the best available technology. We therefore cannot guarantee that with the surface treatment you have chosen, hydrogen-induced embrittlement may not occur leading to field failures with a considerable potential for damage. If the probability of hydrogen embrittlement is to be reduced, other coating processes must be chosen (no galvanic coating processes).

8.8 Where our work is carried out on the basis of specifications provided by the customer, liability for the suitability of the product with respect to the intended use of our product, its proper design, compliance with safety provisions and design specifications, and the suitability of the material is excluded.

8.9 Warranty claims against us are available only to our direct contractual partner and are not assignable.

8.10 If the customer makes specifications that we find to be critical or not feasible in terms of production, we will inform the customer of our finding and submit a counterproposal. In this case, the customer is obliged, on their own authority, to review our proposed modification for usability for their purposes. We do not provide any assurances or assume liability with respect to the suitability of our proposed modification for the customer's intended use.

8.11 Returns of goods that are not caused by defects in the goods are generally not accepted by us.

8.12 Schnöring maintains a quality management system certified to

DIN/EN 9001:2015. All products are continuously inspected during production in accordance with our QM manual. The customer is entitled to obtain information on the nature and scope of the quality inspections carried out during production as part of an audit. Inspections other than those set out in our QM manual require a separate agreement in writing between the customer and us, with an exact description of the inspection parameters and methods.

8.13 Our quality management system does not absolve the customer from the necessity for a proper incoming goods inspection (see clause 8.3 above).

9. Limitations of liability

9.1 We are not liable for slightly negligent breach of non-essential contractual obligations.

9.2 For other slightly negligent breaches of duty, our liability is limited, based on the nature of the goods, to the foreseeable damage typically occurring for the goods. This also applies to slightly negligent breaches of duty by our legal representatives or agents.

9.3 Unless otherwise stipulated in these terms and conditions, liability is excluded.

9.4 The limitations of liability set out above do not apply to claims made by the customer arising from product liability or in the event of bodily injury, damage to health or loss of life of the customer attributable to us.

9.5 Claims for damages by the customer expire by limitation after one year, beginning with delivery of the goods. This does not apply to claims made by the customer arising from product liability or in the event of bodily injury, damage

to health or loss of life of the customer attributable to us.

9.6 In addition, our liability for property damage and financial losses, where legally possible, is limited to EUR 10 million per loss event.

10. Retention of title

10.1 Until full settlement of all liabilities arising from the business relationship – including interest and costs – we retain title to the delivered goods. The customer is obliged to store and insure the goods delivered under retention of title to our requirements and must provide us with evidence of this upon request. In the case of payment of the purchase price by check/bill of exchange, our retention of title ceases not with the redemption of the customer's check, but with the redemption of the last refinancing instrument.

10.2 The customer is entitled to dispose of the goods subject to retention – including if further processed – in the ordinary and proper course of business. The customer must however retain title until the purchase price asked has been paid in full. The customer may not pledge or assign for security the goods subject to retention and must notify us without delay of any subsequent third party pledges or other access by third parties to the goods subject to retention.

10.3 If the customer processes or treats goods delivered by us or combines or mixes them with other goods not belonging to us, the processing or treatment is free of charge for us as the manufacturer. Accordingly, we acquire ownership or co-ownership in the share of our product of the total value added of the item created by processing. The customer holds the newly created item in safe custody free of charge for us.

When our goods are processed with goods from other suppliers by the customer, we become proportional co-owner of the new item. Where we become owner or co-owner of new items created through processing or treatment, the provisions applicable to the goods subject to retention also apply accordingly to them or our co-ownership share.

10.4 The customer hereby assigns to us, subject to a condition precedent to the time of its occurrence, the claims to which they are entitled from the resale. If the goods subject to retention are resold after combination – in particular with goods not belonging to us – the assignment is only in the amount of the sales value of our goods subject to retention. If the third-party debt is higher than our claim, the claim against the third-party buyer is transferred to us only insofar as it corresponds to the value of our goods subject to retention.

10.5 The customer is entitled to collect the claims assigned to us from the third party buyer on our behalf. The customer must however transfer the amounts collected to us without delay. We reserve the right to collect the claim directly from the third-party buyer, who must be made known to us for this purpose.

10.6 In the event of breach of contract by the customer, in particular default in payment or breach of the obligations set out in paragraphs 1 and 2 above, we are entitled to withdraw from the contract and reclaim the goods, without prejudice to further statutory rights, due to this breach of obligation by the customer.

11. Industrial property rights, copyright

11.1 The customer is responsible for ensuring that goods which we

manufacture according to the customer's specifications do not infringe the industrial property rights of third parties. In the event that a claim is asserted against us by a third party due to the manufacture or delivery of such articles with the allegation of an infringement of property rights, the customer indemnifies us against all claims. In such cases, we will defend ourselves only if the customer requests us to do so with a binding declaration of assumption of costs. In this case, we are entitled to demand security for the costs of the process.

11.2 The customer is under a contractual obligation to use documents and drawings provided to the customer, as well as design services and proposals provided by us for the design and manufacture of springs, stamping die parts and assemblies only for the agreed purpose. The customer is forbidden from making them accessible to third parties or the subject of publications without our consent.

12. Production equipment, tools, protection of business secrets

12.1 Production equipment (tools, production facilities) includes all items which are manufactured for the production of ordered drawing or sample springs, stamped and bent parts and assemblies, and the purpose of which is to serve in the production process for the ordered parts. If it has been agreed that the customer will bear the costs of their manufacture in full or in part, they will generally be invoiced separately from the product price.

12.2 The costs for maintenance and proper storage, as well as the risk of damage to or destruction of the production equipment, are borne by us up to a total output quantity to be

agreed upon conclusion of contract. For the manufacture of replacement production equipment required as a result of wear and tear, clause 12.1 applies.

12.3 We retain the production equipment free of charge for two years after the last delivery to our contractual partner. After this period, we give our contractual partner the opportunity to express their interest in further retention within 6 weeks. The retention period ends if no statement is made within the 6 weeks or if no new order has been placed. If a new order is placed within this period, this clause is again applied.

12.4 The customer does not acquire ownership of the production equipment manufactured by us, even if the customer bears the costs in full or in part.

12.5 The customer is obliged, as are we, to treat as business secrets all non-public commercial and technical details that become known to each other through the business relationship. Drawings, models, templates, samples and similar items may not be transferred to or otherwise made accessible to third parties. The reproduction of such items is permitted only within the framework of operational requirements and copyright provisions

13. Data protection

The development of the business relationship is supported by a data processing system, under which the customer's data (address, delivery products, delivery quantities, prices, payments, cancellations etc.) is recorded in an automated file and stored until the end of the business relationship.

The customer is hereby informed of the storage of this data. Legal basis: §§ 27 et seq., 33 BDSG (German Federal Data Protection Act).

14. Place of performance, place of jurisdiction

Place of jurisdiction and place of performance for all disputes arising directly or indirectly from the contractual relationship, including actions on bills of exchange, is the court having jurisdiction over Schalksmühle.

15. General terms of delivery for customers with their place of business outside Germany

The legal relationship to customers residing outside Germany is ruled by the United Nations convention on contracts on the international sale of goods unless amended or altered by Nos. 1 – 17 hereinafter. Customers' terms of purchase do not apply.

15.1 Our offers are binding unless explicitly characterized as non-binding.

15.2 We reserve the right to declare the contract void in the event that we do not receive supplies despite proper cover purchase.

15.3 If we have to process metals quoted on the stock exchange, the total price consists of the processing price and the metal surcharge. The processing price is fixed in line with the provisions of the contract, the metal surcharge will be charged at the rate as of the date of the cover purchase unless another date has been issued in our order confirmation. In consequence of the volatile development of commodity prices we reserve the right to adjust confirmed prices of frame contracts with a term of more than three months in line with the metal price on the day of the respective manufacture. Confirmed prices are quoted as of the day of execution of the frame contract, we shall account for the respective metal price as of the day of manufacture. We reserve the right to dissolve the contract, in the event that we do not obtain supplies ourselves in line with our covering purchase.

15.4 All deliveries are performed EXW Schalksmühle according to INCOTERMS 2010.

15.5. All payments have to be made in

EURO at customers' costs to our German bank account. If the customer defaults on his payments he has to pay default-interest at a rate of 7% above the current base rate as published by the European central bank.

15.6 All goods supplied shall remain our property until the customer has paid for them in full.

15.7 The customer is to inspect the goods delivered immediately upon receipt and to give us immediate written notice on a lack of conformity. The customer loses the right to complain of a lack of conformity of the goods delivered if he does not notify us thereof within a period of 2 weeks after arrival of the goods at the agreed delivery address.

15.8 Any claim of the customer based on non-conformity of the goods expires after a period of 6 month starting with the proper notice pursuant to No. 7 hereinbefore.

15.9 In case of non-conformity of the goods we have the right to choose the delivery of substitute goods instead of repairing the non-conforming goods. If we do so, the customer, at our costs, has to put the non-conforming goods at our disposal.

15.10 In line with the applicable technical standards (such as DIN EN ISO 4042, DIN EN ISO 9587, DIN EN ISO 15330) and the current art of technology it is technically impossible to avoid the danger of hydrogen embitterment. Therefore the appearance of hydrogen embitterment does not constitute the non-conformity of goods. To reduce the possibility of hydrogen embitterment a galvanic coating should be avoided.

15.11 Our products are mass-produced articles. Short or excess supplies up to

10% of the contractual quantity are customary in the particular trade and shall be deemed as proper performance of the contract.

15.12 Schnöring maintains a quality management system in line with DIN/EN 9001:2015. All of our products, in the course of production, are continuously examined in line with the provisions of our quality management manual. The customer has the right to verify such quality inspection within the scope of quality audits. Quality inspections beyond the provisions of our quality management manual have to be agreed upon in writing with an exact definition of methods and parameters.

15.13 We are not liable for damages resulting from non-conformity of our performance of any of our obligations under the contract except when such non-conformity results from intentional acts or from gross negligence on our part. To the extent legally permissible, Schnöring's liability for damage to property and financial loss is limited to an amount of EUR 10 million per incident.

15.14 The customer does not acquire ownership of tools and production facilities even if he pays for them in part or in full.

15.15 The customer has to ensure that goods which we produce in line with his design or his technical data do not violate third parties' intellectual or industrial property rights. In the event that a third party sues us for an alleged violation of industrial or intellectual property rights the customer has to hold us free from all claims arising from or in connection with such action. We have no obligation to defend ourselves against such action unless the customer orders

us to do so and, at the same time, declares that he will hold us free from all costs that may reasonably be incurred by doing so. In this case we have the right to claim for security of the prospective costs.

15.16 Should any of the provisions hereinbefore become invalid or void or unenforceable, the remaining provisions shall remain valid.

15.17 Place of performance for all obligations under the contract and place of jurisdiction is our place of business. However we reserve the right to sue the buyer at the court competent for his place of business