

**KAMAX, S.A.U., Operation Spain**  
**Standard Contract Terms**  
(July 2005)

**Clause 1**

1. All contracts with our customers, including those relating to the provision of information and advisory services, are governed exclusively by the terms set out below. Any terms or conditions conflicting to our detriment either therewith or with normal statutory regulations do not constitute an integral part of the contract, even in cases where they are not expressly rejected. Our customer has been informed about validity and contents of these Standard Contract Terms.
2. No subsidiary verbal agreements, amendments or additions to these Standard Contract Terms of the contracts between us and our customers shall be valid unless confirmed in writing by our general managers or other company officers possessing statutory authority.

**Clause 2**

All our offers are without commitment, subject to confirmation, just as stated on the offer. Orders received by us from our customers constitute a binding offer for them. No contract is brought about until we either confirm the order in writing (order acknowledgement) or make a shipment against such order.

**Clause 3**

1. Unless otherwise expressly agreed, all lead times and delivery dates are binding. These lead times may be modified via mutual consent of both parties.
2. Our obligations to supply goods and services depends on (main customer obligations):
  - a) that the customer has provided the documents, approvals and releases required from him and has given us full details of the relevant specifications;
  - b) that an agreement has been reached on all details relating to the order;
  - c) that all order amendments requested by the customer have been formally confirmed by us in writing;
  - d) that we have received the contractually agreed advance payment.
3. Nothing contained in the foregoing paragraph shall affect our rights accruing from the customer's failure to fulfil or delay in fulfilling these primary duties.

4. In the event of force majeure or other events preventing or seriously impeding us from effecting delivery, for example operational breakdowns, unserviceability of machines, moulds or tools, transportation delays, strikes, lawful lockouts, official actions and failure to deliver or late or incorrect delivery on behalf of our own suppliers (failure of suppliers to honour obligations), arising through no fault of our own, we are released from our obligations under the relevant contract, whereby in the case of temporary impediments any such release shall apply only for the duration of the impediment plus a reasonable restarting period. In cases where any such delivery delay is unacceptable, the customer shall be entitled to withdraw from the contract subject to immediate service of notice.
5. In the event of increases in wage, salary or material costs, we shall be entitled, subject to service of written notice to the customer, to bill the relevant increases in the prices of our goods and services. The customer is thereby entitled to serve written notice of cancellation of the contract within 30 days of receipt of the price increase notice. No further claims whatsoever shall accrue to the customer on grounds of cancellation of the contract. Nothing contained in this paragraph shall affect the provisions relating to the legal obligations set out in Clause 7 of these Standard Contract Terms.
6. We are entitled to delivery part-shipments, except in cases where this is manifestly unacceptable for the customer.
7. The place of performance for all deliveries, consultations and supply of information is the relevant production plant belonging to the KAMAX Group.
8. All risks relating to deliveries or part deliveries of goods or other work objects pass to the customer at the time of their transfer to the person responsible for their transportation.
9. Except in cases where freight paid delivery has been expressly agreed, the customer bears the cost of dispatch and transportation. Transportation insurance cover will only be taken out on the express instructions and for the account of the customer.
10. Should dispatch of goods be delayed through the customer's fault, all risks relating to those goods shall pass to the customer at the time of our issue of notice that the goods are ready for dispatch. The customer shall bear all storage costs incurred as from the time of transfer of risk.
11. Packing and storage material must be returned, freight paid, without delay at our request.

**Clause 4**

1. Unless otherwise expressly agreed, all our prices are ex works plus packing costs and turnover taxes at the rate payable on the date of delivery.
2. In cases where dispatch and transportation costs are payable by the customer, the freight rates, customs duties and other charges in force on the date of delivery shall apply, unless otherwise agreed.
3. All amounts are payable, either in cash or by remittance, in the agreed currency without deduction of discount and post and expenses paid. We recognize no obligation to accept drafts or checks.
4. Offsetting or withholding of payments by the customer on grounds of counterclaims shall only be permissible in cases where such counterclaims are undisputed or res judicata. We are entitled to offset our own claims against those of the customer.

**Clause 5**

1. All goods supplied (hereafter called: reserved goods) remain our property until receipt of payment in full of all claims arising from the contract.
2. The customer is entitled to resell or process reserved goods or combine them with other items (hereinafter also collectively called: disposal) during the course of his normal business operations, but is not permitted to dispose of them in any other way. The customer must notify us immediately of any attachments applied for or obtained by any third party. Should the customer grant extended credit to any of his own customers, he must reserve title to the reserved goods vis-à-vis those customers under the same terms and conditions as those stipulated by us at the time of supplying the reserved goods. Otherwise the customer is not entitled to dispose of the reserved goods.
3. The customer hereby assigns to us all claims accruing to him against his customers from the disposal of the reserved goods up to the amount of our claims against him. The amount of these claims serves as security for the reserved goods. The customer shall not be entitled to dispose of the reserved goods unless he has ensured that the claims thereby accruing to him have been assigned to us.
4. Should the customer dispose of reserved goods in combination with other goods not supplied by us at an overall price, the amount of the claim thereby assigned by him to us shall be equivalent to the billed value of the reserved goods thus disposed of.

5. In cases where the seller processes reserved goods by combining them with other goods not belonging to us, we acquire co-ownership of the items thereby created in the same proportion as the billed value of the reserved goods to the value of the items created.
6. In cases where the customer combines the reserved goods with another movable object in such a way that the reserved goods become an integral part of a single, new object, we thereby acquire co-ownership of that single object in the same proportion as the billed value of the reserved goods to the value of the single object at the time of combination, even if that single, new object thereby becomes the primary object. The customer must exercise the due care expected from a good businessman to preserve the new object for us. The new object is thus deemed to be reserved goods within the meaning of these provisions.
7. The same provisions shall apply when the reserved goods are inseparably mixed or blended with other goods.
8. Should the value of the securities held by us exceed the total amount of the secured claims by more than 20%, we hereby undertake at the customer's request to release securities selected at our sole discretion.
9. The customer is authorized to collect claims assigned to us until revocation of this authorization by us. We are entitled to revoke this authorization if the customer fails to honour the payment obligations arising from the business relationship with us or if we become aware of circumstances justifying reasonable doubt of the customer's creditworthiness. If conditions justifying exercise of our right of revocation arise, the customer must, at our request, notify us immediately of the amount of the assigned claims and the names of the customers owing the relevant amounts. He must also make all statements needed for collection of the claims and hand over to us the documents needed to file notice of assignment to the debtors. We are also entitled to file notice of assignment to the debtors ourselves.

## **Clause 6**

1. If goods are lost or damaged during transportation, an accident damage report must be prepared immediately on their receipt. The damage or loss must be notified to the carrier.
2. Should the goods prove to be defective, we shall be entitled at our sole discretion to opt for either repair of the defect or supply of replacement. The customer shall not be entitled to press claims until either two attempts to remedy the defect have failed, or it would be unreasonable to expect the customer to accept further delay, or if we are either not prepared or unable to remedy the defect.

3. All information and advice provided by us is based on past experience. Any statements made in this connection, in particular values relating to our products and possible applications thereof, do not constitute guaranteed properties and are not covered by warranty.
4. The warranty period lapses one year after date of delivery or acceptance, except in cases where the statutory warranty period is shorter.

#### **Clause 7**

1. Our liability for death, bodily injury and health impairment is governed by the legal provisions on liability. Our liability for fundamental breaches of contract endangering the purpose of the contract is in accordance with the relevant statutory regulations. Our liability is otherwise limited to damage or loss caused by wilful act or gross negligence.
2. In the event of a liability as defined in Paragraph 1 of this clause or a liability regardless of fault, the extent of our liability is limited to typical and foreseeable damage.
3. In the event of a liability as defined in Paragraph 1 of this clause or a liability regardless of fault, our liability for reimbursement of the costs incurred by the customer for installation or dismantling the defective objects is limited to an amount reasonably proportionate to the price at which the defective objects were supplied.
4. We accept no liability for information, advice or recommendations. This exclusion does not apply to contracts in which the provision of information or advice is a primary obligation or to advice, explanations and information provided as a collateral obligation arising from other contracts. The limitations of liability defined in Paragraphs 1 to 3 apply in these cases.
5. The limitations of liability set out in Paragraphs 1 to 4 above also apply under the conditions defined therein to our corporate bodies, their individual members and our employees.

#### **Clause 8**

1. The customer guarantees that the articles manufactured and delivered in accordance with his drawings, samples/patterns and other instructions infringe no copyrights or industrial property rights belonging to third parties domiciled either in this country or abroad. The customer hereby undertakes to indemnify us against any justified claims filed by third parties on grounds of such rights and also against all ensuing consequential costs. Nothing contained in this provision shall affect our claims under law.
2. The moulds, tools and design documents created by us for performance of an order remain our sole property. The customer is not entitled to file claims for these items even in cases where he has borne part of the costs of their creation. We are entitled to destroy the moulds, tools and design documents at the latest after the lapse of two years from the date of receipt of the customer's last order for the relevant items.

**Clause 9**

1. The customer hereby undertakes to treat all technical and commercial information coming to his knowledge as a result of this business relationship with us as a business or operational secret, except where such information is already in the public domain.
2. Drawings, samples/patterns and similar objects must not be handed over or otherwise made accessible to unauthorized third parties. Such items may only be duplicated in cases where this is essential for operational reasons and permissible under copyright regulations. We are entitled to demand return of all such items at any time.
3. The customer hereby undertakes to impose the undertakings set out in Paragraphs 1 and 2 above in written form on his employees, freelance agents and subcontractors.

**Clause 10**

1. The place of jurisdiction for all disputes arising from contracts shall at our sole discretion be either the central domicile of the KAMAX Group, the domicile of KAMAX, S.A.U. as the production plant or the customer's domiciles, but the central domicile of the KAMAX Group always in case of suits filed by the customer. Nothing in the preceding sentence shall affect legal regulations on sole places of jurisdiction.
2. According to where the suit is file, Spanish or German laws will govern all our business. Neither the United nations Convention on Contracts for the International Sale of Goods (CISG) nor any other interstate or international conventions shall be applicable.