

GENERAL TERMS AND CONDITIONS OF SALE OF SORMAC INC.

This document sets forth the general terms and conditions of sale of Sormac Inc. The quotation and sales contract may incorporate additional and more specific commercial and technical requirements of sale. The following general terms and conditions are mutually agreed between the Buyer and Sormac Inc. to be part of the sales and purchase order documents.

I - GENERAL SECTION

1. Definitions

- 1.1. The term 'Sormac' shall refer to Sormac Incorporated, having its registered office at 6800 Wales Road, Northwood, OH 43619, U.S.A.
- 1.2. The term 'Equipment' shall refer to any machine, part and/or product manufactured or sold by Sormac, including subcontracted/purchased items/options, and all services related to the foregoing.
- 1.3. The term 'Buyer' shall refer to the buying company and, where applicable, its subcontractors, parents, subsidiaries, and affiliates.
- 1.4. For the purpose of these General Terms and Conditions of Sale (General Terms) the term 'in writing' includes also all communication between the parties by means of email or telefax.

2. General- Scope

- 2.1. These General Terms will apply to all offers made by Sormac, sales agreements entered into by Sormac, all deliveries of Equipment and provision of services and all related activities of Sormac.
- 2.2. With placement of the order or at the latest upon receipt of the Equipment, services and all related activities the Buyer acknowledges the applicability of these General Terms.
- 2.3. Any and all terms and conditions – including those of Buyer – if not explicitly accepted by Sormac in writing are not binding upon Sormac, even if Sormac does not expressly reject them.
- 2.4. Deviations from these General Terms shall be permitted only if and in so far as Sormac has expressly accepted any such deviation in writing and will apply only in respect of the specific request or agreement for which the relevant deviations have been agreed.
- 2.5. The delegation or assignment by Buyer or any or all of its duties or rights without the prior written consent of Sormac shall be void.

3. Contracts – Offers

- 3.1. All quotations issued by Sormac are valid for 30 days, unless noted otherwise.
- 3.2. Sormac reserves the right to refuse any order. An order shall be deemed accepted and a binding contract formed when the order is acknowledged in writing by Sormac or when Sormac begins fulfillment of the order.
- 3.3. The price or prices indicated in an offer shall be based on price-determining factors applicable to Sormac at the time of the offer and are subject to change without notice in Sormac's sole discretion.
- 3.4. Illustrations, drawings, specifications of dimensions and weight, which form the basis of the offer or order confirmation, shall as a rule only be seen as approximate values, insofar as they are not exclusively designated to be binding.
- 3.5. Sormac shall be and remain the owner of all documents, supplied models, samples or examples provided to Buyer at any time, and none of these may be supplied to or made available to third parties for inspection, duplicated, multiplied or imitated in any way without the prior written approval of Sormac. Upon request of Sormac such documents, supplied models, samples or examples shall be returned to Sormac, carriage paid, in sound condition within 14 days.

4. Cancellation by Buyer

- 4.1. Buyer may cancel the order for Equipment by written notice prior to shipment. Sormac will stop work on the order as soon as possible after receipt of written cancellation. Buyer agrees to pay Sormac for all costs incurred by Sormac and/or other suppliers attributed to the order, including but not limited to finished goods on hand, components, work-in-process (inclusive of labor and materials), raw materials on hand or on order that Sormac may not cancel, burden, overhead, and lost profits. Such payment will not transfer title to Buyer.

5. Delivery and Claims

- 5.1. The delivery time will not commence until agreement has been reached on all commercial and technical details, all information, including final and approved drawings and suchlike are in the possession of Sormac, the agreed down payment has been received and the other conditions for the execution of the order have been met.
- 5.2. Delivery and execution dates are approximate. Exceeding the delivery or execution date does not in any case entitle the Buyer to compensation or termination. The Buyer shall indemnify Sormac against any claims by third parties as a result of exceeding the delivery or execution period.
- 5.3. A new delivery date may be required, depending on any technical or scope changes requested after the order date or in case of delays in receiving payments according to agreed dates.
- 5.4. Sormac shall not be liable for delays in delivery caused by any reason beyond Sormac's control, including, but not limited to, force majeure, faulty information by Buyer, supplier failure, any interruption of Sormac's facilities, terrorism, or any act of any government or licensing authority.
- 5.5. Partial deliveries are allowed.
- 5.6. Unless agreed otherwise, deliveries are F.O.B. Sormac's facility (domestic orders) or FCA/ ex works (Incoterms 2010) (international orders) and exclusive of any dispatch costs, costs of shipment or insurance costs. The transport shall take place at the Buyer's risk, even if the carrier has explicitly stipulated that all shipping documents must state that any and all damage resulting from the transport shall be at the expense and risk of the sender.
- 5.7. In case Sormac assists in any way with the loading or unloading of the Equipment, the Buyer will compensate any related costs to Sormac and indemnify, defend and hold Sormac harmless from and against any related responsibility or liability.
- 5.8. After the Equipment is placed at the required transfer point for Buyer, Sormac neither assumes responsibility nor will assume any expenses for electrical work, plumbing, compressed air supply, millwright work, extensions/additions, or materials necessary for the set up and operation of the Equipment in Buyer's plant or elsewhere. It remains the Buyer's responsibility to meet all federal, state and local codes and regulations.
- 5.9. Claims for shipping damage, concealed or otherwise, are the responsibility of Buyer and should be taken up with the delivering carrier within the stated time allowed for claims. Claims for shipping shortages will not be allowed, unless reported to Sormac within 10 days of shipment.

6. Transfer of Obligations and Subcontracting

- 6.1. Sormac may assign, delegate, or subcontract its obligations under the agreement, or any part thereof, to third parties without requiring the prior written consent of the Buyer.

7. Retention of Title

- 7.1. Title to the Equipment, thus delivered, shall remain with Sormac until the full purchase price has been received. Risk of loss transfers from Sormac to Buyer upon Sormac's placing the Equipment with a carrier at Sormac's facility for delivery to Buyer.

- 7.2. Buyer shall keep the Equipment fully insured, with Sormac named as loss payee until the purchase price is paid. Neither Buyer nor Sormac shall assign the applicable insurance contract without prior written consent of the other.
- 7.3. Any tooling designed or produced by Sormac in the manufacture of any Equipment sold to Buyer shall remain the sole and exclusive property of Sormac, unless the total cost of designing and producing the tooling is paid explicitly and separately by Buyer, in which case such tooling shall be the sole and exclusive property of Buyer and shall be provided to Buyer upon completion of the work, subject to applicable manufacturing, tooling, molder's and other lien laws and rights.

8. Prices and Conditions of Payment

- 8.1. All prices are stated in U.S. dollars and exclusive of all municipal, state, and federal sales, excise, use and other government levies or taxes. The prices are also exclusive of travel, accommodation, packaging, storage and transport costs as well as costs for loading, unloading and cooperation with customs formalities.
- 8.2. Payments shall be made according to the agreed payment conditions without setoff or any other form of settlement. Unless otherwise agreed by Sormac in writing, payment shall be made without deductions to the designated bank account within 30 days after the date of invoice. Deduction of discounts requires a special written agreement. Payment is deemed to have been made at the time at which it clears Sormac's bank account. If Buyer fails to pay an amount within the agreed period, Buyer shall be in default by operation of law and Sormac shall in that case be entitled to charge interest from the due date of the unpaid invoice at a rate of 2% per month, except as limited by applicable laws, without prejudice to any other remedies available to Sormac.
- 8.3. Complaints are no cause for a delay in payment.
- 8.4. If Sormac at any time doubts Buyer's financial responsibility, or if Buyer defaults under any agreement with Sormac, Sormac may, in addition to all other rights and remedies available at law or in equity, withhold shipments hereunder or recall Equipment in transit, except upon receipt of full payment or security or other proof of responsibility satisfactory to Sormac.
- 8.5. Sormac is - with immediate effect after prior written notice - entitled to increase the price of the Equipment still to be delivered if the cost price determining factors have been subject to an increase. These factors include, but are not limited to:
 - I. raw and auxiliary materials, semi-finished products, consumables such as oil, water and energy;
 - II. governmental measures and changes in the foreign exchange rates, products and services obtained from third parties, freight rates, import and export duties, excise duties, levies, taxes (if such rates, duties, levies and taxes are included in the price of the Equipment), wages, salaries, social security contributions, freight costs and insurance premiums.
- 8.6. Sormac is also entitled - with immediate effect after written prior notice - to increase the price of the Equipment in case of a delay in completion or shipment of order due to any change requested by the Buyer, or as a result of any delay on Buyer's part in furnishing information necessary for completion of the order.

9. Protected Rights and Non-disclosure

- 9.1. Buyer recognizes and acknowledges the ownership of Sormac of all copyrights, patents, design rights, trademarks, service marks, business or corporate names, know how, trade secrets and other intellectual property rights which Sormac owns and further agrees that the Sormac shall have the right to take all appropriate actions to protect such rights.
- 9.2. Irrespective of the existence of legal protection rights, all ideas, inventions, designs and samples, works protected by copyright, patents, design rights, trademarks, service marks, business or corporate names, trade secrets and all knowhow or other intellectual property related to goods manufactured by Sormac or generated within the execution of a contract, and all techniques applied by Sormac to

manufacture and design the goods, preliminary to or upon processing of an order, shall always remain or become, as the case may be, the exclusive intellectual property of Sormac.

- 9.3. Sormac shall have no liability for infringement of any intellectual property rights except as provided in this Section ~~9.32~~. Except as set forth in Section 9.4, if any Equipment is held to constitute an infringement of a third party's intellectual property rights, Sormac will, at Sormac's sole option, either: (a) procure for Buyer the right to continue using the Equipment, (b) replace or modify the Equipment so as to make it noninfringing, or (c) accept return of the Equipment and refund the purchase price less a reasonable allowance for depreciation. The foregoing provisions of this Section 9.3 shall constitute Sormac's sole and exclusive liability and Buyer's sole and exclusive remedy for infringement of intellectual property rights.
- 9.4. Notwithstanding anything to the contrary in these General Terms, in any other agreement between Buyer and Sormac, or in any Buyer form document, Sormac shall have no liability for claims of infringement based on information provided by Buyer, or relating to Equipment for which the design is specified in whole or in part by Buyer, or infringement resulting from the Equipment's modification, combination or use in a system. In any of the circumstances described in the preceding sentence, Buyer shall indemnify, defend, and hold Sormac harmless from and against all costs, expenses, judgments, and liabilities resulting from any claim that such Equipment infringes a third party's intellectual property rights.
- 9.5. Buyer shall observe confidentiality in respect of all information, specifications, business information and know-how concerning and provided by Sormac.

10. Warranty

- 10.1. Sormac warrants against defects in material and workmanship only. Items manufactured by others but installed in or affixed to Sormac Equipment are not warranted by Sormac, but bear only such express warranties, if any, of the manufacturer thereof, if and to the extent transferable.
- 10.2. Sormac will correct any defects by repair, replacement or re-performance of services, at its own expense and at its sole option, (FOB / FCA / ex-works Sormac Northwood, Ohio plant). The warranty does not apply to any labor charges for removal and/or replacement, or to any part thereof which has a life, under normal usage, inherently shorter than the warranty period. The warranty will be active for a period of:
 - I. Machinery: 12 months from the date of shipping.
 - II. Replaced/repared parts: 6 months from the date of shipping.
- 10.3. Buyer must notify Sormac of a warranty claim in writing within 30 days after the delivery of the Equipment for apparent defects or 10 days after detecting a defect within the above stated warranty period. The notice shall include a specific description of the nature of the defect. Buyer is obliged to check the Equipment upon delivery for transport damage and other reasonably discoverable damages.
- 10.4. If Equipment is produced based wholly or partially on designs, specifications, or instructions of the Buyer, Sormac's warranty shall be limited to the fact that it has been manufactured in accordance with the written agreed designs, specifications, or instructions of the Buyer. In this case, warranty for the efficiency/operability and warranty of fitness of the Equipment for a specific purpose whether or not made known by Buyer are expressly excluded.
- 10.5. Warranty shall be void if:
 - I. The Equipment is not properly installed by Buyer, according to Sormac's installation instructions.
 - II. The Equipment has been subjected to misapplication or misuse, faulty maintenance (unless done by Sormac), neglect, damaging conditions, or is disassembled, modified or repaired by unauthorized persons in any way without written approval by Sormac.
 - III. The production or use of the Equipment for which it was not intended, or on products out of specification.
- 10.6. The warranty granted herein is non-transferable and is granted only to the original Buyer.

10.7. THIS WARRANTY IS THE EXCLUSIVE WARRANTY AND IS PROVIDED INSTEAD OF ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, ALL OF WHICH ARE DISCLAIMED.

11. Liability

- 11.1. Sormac's liability under or in connection with a contract, and the Equipment and/or services sold thereunder, shall be limited to the value of the contract, whether such liability arises in contract (including under any indemnity), tort (including negligence), products liability, equity, under statute or otherwise.
- 11.2. IN NO EVENT WILL SORMAC BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR OTHER SPECIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO LOST PROFITS ARISING FROM OR RELATING TO EQUIPMENT SOLD OR SERVICES RENDERED TO BUYER BY SORMAC, WHETHER ALLEGED TO ARISE FROM BREACH OF CONTRACT, EXPRESS OR IMPLIED WARRANTY, OR IN TORT.
- 11.3. Buyer is solely responsible for ensuring the safety of all personnel who may be in close proximity to the Equipment.
- 11.4. The Buyer bears the risk and is liable for damage to or loss of property of Sormac, the Buyer and third parties, such as tools, materials intended for the work or materials used in the work, which are located at or near the place where the work is carried out or at another agreed place.
- 11.5. Buyer shall indemnify, defend and hold harmless Sormac and its directors, officers, agents employees, parents, subsidiaries, affiliates, and each of their respective successors and assigns, against any and all demands, claims, actions, damages, liabilities, costs, expenses (including reasonable attorney fees and expenses) and other losses of any kind whatsoever, whether based upon theories of contract, tort, negligence, strict liability, warranty, indemnification, contribution, statute or otherwise, for personal injury or property damage caused by Buyer or by any of its directors, officers, agents, employees or subcontractors, arising out of or relating to the Equipment. Buyer shall give Sormac prompt written notice of any such matters and the full opportunity to defend itself against them. This indemnity by Buyer shall survive the termination of this agreement.

12. Insurance

- 12.1. Buyer is obliged to insure itself and to keep itself insured against all risks usually insured in the sector to which the Equipment belongs.
- 12.2. Upon request, Buyer will give Sormac access to the policies and show Sormac the receipts.

13. Severability

- 13.1. In the event any term of these General Terms shall be held to be entirely or partly invalid or unenforceable, such term shall be excluded to the extent of such invalidity or unenforceability, and all other terms hereof shall remain unaltered and in full force and effect.
- 13.2. Buyer and Sormac agree that any term that a court of competent jurisdiction determines is invalid or unenforceable shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term.

14. Disputes

- 14.1. The contracting parties will attempt in good faith promptly to resolve any disputes arising out of an agreement by negotiations between representatives who have the authority to settle the controversy. If the negotiations are unsuccessful, the parties further will attempt in good faith to settle the dispute by non-binding third-party mediation, with fees and expenses of such mediation apportioned equally

to each side. Any dispute not resolved by negotiation or mediation may then be submitted to a court of competent jurisdiction in accordance with the terms of these General Terms.

15. Governing Law

15.1. This agreement and its interpretation shall be governed by the laws of the State of Ohio. The state and federal courts in the State of Ohio shall have exclusive jurisdiction over any litigation resulting with respect to this agreement.

II – SPECIAL SECTION – INSTALLATION OF WORK

Installation work shall be governed not only by the articles 1 through 15 of these General Terms, but also by the articles 16 through 17 of this Special Section of these General Terms. In event of any deviating or conflicting terms and conditions, the articles of this Special Section shall prevail over the articles of the Special Section, except for article 10 and 11 (Warranty and Liability) which shall always prevail.

16. Performance of Work

16.1. If it has been agreed that Sormac is to carry out installation work for the Buyer, Sormac shall perform the work in accordance with the agreed specifications. Sormac shall have the right, but shall not be obliged, to check the accuracy of the information reported and, in the event of any errors discovered, to postpone the work until the errors have been resolved to the satisfaction of Sormac.

16.2. The Buyer shall ensure that all facilities and tools required to carry out the work, as determined in Sormac's sole discretion, are present. Sormac shall be entitled, if it sees reasons to so proceed, to order any requisite facilities for and at the expense of the Buyer or to take any such other measures for and at the expense of the Buyer as Sormac may deem appropriate. At Sormac's first request, the Buyer shall make available at its own responsibility a qualified person to Sormac to coordinate the work on site or assist in such co-ordination.

16.3. The Buyer will at its own expense and risk ensure that:

- I. as soon as Sormac's workers arrive at the installation site, they are able to start their work and continue to work during normal working hours;
- II. there is suitable housing and all essential facilities for Sormac's workers as specified under government regulations and the agreement;
- III. the access paths to the installation site are suitable for the necessary transportation;
- IV. the designated installation site is suitable for storage and mounting / installation;
- V. the necessary and usual helpers, assistants, company materials (fuels, oils, small materials, gas, water, electricity, steam, compressed air, heating, lighting, etc.) and normal measuring and testing equipment are available to Sormac in a timely manner and free of charge at the right place;
- VI. all necessary safety measures and precautions have been taken and maintained and all measures have been taken and maintained to comply - with regard to the montage / installation - to the applicable government regulations;
- VII. at the start of and during montage / installation, the shipped Equipment will be in the right place.

16.4. Buyer shall indemnify, defend, and hold Sormac harmless from and against all damages and expenses arising from the fact that the conditions set out in this article have not been met or are not met in a timely manner.

16.5. The Buyer guarantees that all the costs incurred by Sormac in connection with the work, including any traveling and hotel expenses, will be duly reimbursed.

17. Acceptance and Completion

- 17.1. If an acceptance test has been agreed in writing, the installation shall be tested within 2 business days of its having been finished.
- 17.2. The installation shall be considered to have been accepted as follows:
 - a. if no acceptance test has been agreed: upon completion of the installation work; or
 - b. if the parties have agreed on an acceptance test in writing: on the first day following the successful acceptance test; or
 - c. if the Buyer has made any use of the system prior to the moment of acceptance: upon commencement of that use.
- 17.3. The Buyer may not withhold its acceptance on grounds other than those relating to the specifications expressly agreed between the parties, nor on the ground of minor errors, which are understood to mean errors which do not stand in the way of the system's use or productivity.
