

General Terms and Conditions of Sale and Delivery of Pecocar Holland B.V.

These General Terms and Conditions of Sale and Delivery apply exclusively and only to a natural person, a legal entity (*persona ficta*) or a legal partnership that acts by means of exercising his or its commercial or independent professional activity (businessman or business enterprise) when concluding the contract. The following conditions are decisive for all of our sales, deliveries and performed work, insofar as nothing else is agreed.

I. Generally

1. Our General Terms and Conditions of Sale and Delivery apply exclusively. We do not recognize the customer's conflicting conditions, nor his conditions that differ from our General Terms and Conditions of Sale and Delivery, unless we would have expressly consented in writing to their applicability. Our General Terms and Conditions of Sale and Delivery also apply whenever we make the delivery or perform the work for the customer unreservedly, while being aware of the customer's conflicting conditions or his conditions that differ from our General Terms and Conditions of Sale and Delivery.
2. Our General Terms and Conditions of Sale and Delivery also apply to all future business transactions that are conducted with the customer; they also apply to every call-forward notice in the case of call-forward contracts.
3. The customer can only cancel his orders that we have acknowledged for an important reason. The right to withdraw from the contract according to the legal regulations and the agreed provisions remains unaffected: this right especially applies to successive delivery orders, blanket orders or call-forward orders.
4. Our quotation is subject to change without notice and it is given without engagement. The customer's purchase order represents a binding proposition. The contract materializes by means of us sending a written acknowledgement of order to the customer within 10 days after receiving the purchase order, or as a result of the ordered goods being sent to the customer within this time limit (acceptance).
5. The customer's rights arising from this contractual relationship are not assignable. Article 354a of the German Commercial Code remains unaffected.
6. Insofar as one of the contract's provisions is entirely or partly ineffective or becomes so, such an invalid provision does not affect the contract's effectiveness otherwise.
7. German law applies exclusively to all of the legal relationships, subject to excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG) of 11th April 1980.

II. Documents concerning the quotation and intellectual property rights

1. We reserve the right to use the tolerances that are customary in the branch of industry regarding the weights, the information about materials and dimensions which we mention in the illustrations and drawings.
2. We reserve the right of ownership and copyright to the illustrations, drawings calculations and other documents; they are not allowed to be made accessible to third parties: this stipulation especially applies to the written information which is described as "confidential"; the customer needs to obtain our express written permission before he forwards any of our documents to a third party.

3. Insofar as we have delivered the articles or goods according to the drawings, models, samples, tools, calculations or illustrations that the customer handed over to us, the customer undertakes to guarantee vis-à-vis ourselves that third-party intellectual property rights will not be infringed by manufacturing and delivering the articles. The obligation to verify whether the tools that are included in our commission in this form, as well as whether the intellectual rights of third parties are infringed by these articles that have to be manufactured in Germany or abroad, is not incumbent upon us but solely upon the customers.
4. Insofar as a third party prohibits the manufacture or delivery of the articles that will be made according to the drawings, models, samples, calculations, illustrations or by using the customer's tools, subject to him advising us about an intellectual property right that protects them, we are entitled – without examining the situation of the legal position or both – to suspend or stop the manufacture and delivery, subject to excluding all of the customer's claims for compensatory damages, as well as to demand that the customer reimburses our expended costs and our lost profit.
5. The customer undertakes to exempt us from any claims for compensatory damages that are made by third parties, immediately after our request for him to do so.
6. The samples or drawings that were sent to us will only be returned on request. If an order does not materialize, then we will be allowed to destroy the samples and drawings after three months have passed since we submitted the quotation.

III. Prices and payment

1. Our prices apply 'ex-works' and they exclude the costs of freight, packing and packaging, insofar as nothing else arises from the acknowledgement of order. These costs will be charged separately.
2. Our prices are understood to be subject to the statutory rate of value-added tax on the day of presenting our invoice; this V.A.T. will be shown separately on the invoice.
3. We reserve the right to adjust our prices in the case of continuing obligations. The basis for calculating the prices is the arrangement of prices and discounts which has been respectively agreed with the customer. If the cost of wages and the price of materials have increased after three months since the date of the acknowledgement of order, then we will have the right to pass on the cost of wages and the price of materials to the customer, insofar as they are not compensated by reducing the other factors that affect the pricing arrangement: we will analogously not pass on the compensated cost of wages or the price of materials to the customer. Furthermore, the customer recognizes that we are entitled to increase our prices if the necessity of further considerable working processes and tools becomes evident while carrying out the order, which – especially in the case of the first delivery – were undetectable in advance according to the recognized state of technological development and therefore they were evidently unforeseeable for the customer in the preliminary calculations that had formed the basis for the pricing agreements and the contractual negotiations. The prices will be increased by conforming with Lines 2 and 3 and according to Articles 315 and 316 of the German Civil Code. In this case, the customer has an extraordinary right of cancellation for the work and services that have not been provided yet. The work and services that have been provided already must be remunerated.

4. A discount will only be guaranteed in writing. Insofar as a discount has been granted, it refers respectively to the price of the goods and it excludes the incidental expenses.
5. If several debt claims are outstanding, then we are entitled to determine the sequence of amortization.
6. Our invoices will be due for payment immediately after the customer has received them, insofar as nothing else arises from the acknowledgement of order. The customer will have fallen into arrears after 14 days have passed since the due date for payment and the receipt of the invoice. Article 286, Paragraph 3 of the German Civil Code remains unaffected otherwise.
7. If the seller falls into arrears with the payment, then we will be entitled to charge interest on the arrears of 8 % above the respective basic interest rate for the purposes of Article 247 of the German Civil Code. We are entitled to claim a higher loss of interest but we have to prove it. We reserve the right to claim further damages because of the arrears. The rebates or other discounts or both that are guaranteed for the respective payment will be inapplicable to the respective payment in the case of defaulted payment, as well as in the case of any collection that becomes necessary, or in the case of a stopped payment.
8. If the customer is in the situation of owing the arrears of payment, then all of the remaining debt claims against the customer can be made due for payment immediately. Otherwise, we are entitled to refuse to do the work or to make a delivery until our due debt claims that arise from the same legal relationship have been fulfilled. The customer can avert the exercise of our right of retention by pledging a security.
9. The customer is only entitled to exercise a right of retention or a right of setoff if his counter-claim is based upon the same contractual relationship.

IV. Delivery deadlines

1. It is a prerequisite for beginning our set delivery deadline that all of the technical matters have been clarified with the customer and that the agreed down-payment has been received, insofar as this has been expressly agreed; the delivery deadline will not begin in any case before we have received all of the documents, drawings, calculations and parts that the customer provides which he must deliver to us.
2. The delivery deadlines that we set will only be binding whenever we have expressly described them as binding in writing. Meeting a delivery deadline depends upon correct and timely self-supply. We will inform the customer immediately about any imminent delays. We are entitled to withdraw from the contract in the case that the goods are unavailable or only partly unavailable, if we are not responsible for it. We will inform the customer immediately and we will reimburse the customer immediately for his preparatory work and services.
3. It is a prerequisite for meeting our obligation of delivery that the customer fulfils his obligations promptly and properly.
4. If the customer delays the acceptance or if he infringes other cooperative duties, then we will be entitled to demand compensation for the damage that we have suffered, including any extra expenses. In this case, the risk of accidental destruction of the delivered article deteriorating accidentally will pass to the customer at the point in time when he falls into delay with the acceptance.

5. If the customer is responsible for unloading the goods, then we reserve the right to charge him for the waiting time or unloading time that exceeds the usual time which is set for this purpose. This rule also applies if a price for the transport has been agreed in advance.
6. If it is agreed that the customer can collect the goods himself or arrange for them to be collected but the collection does not take place within one week after we have notified him about the completion i.e., that the goods are ready for collection, then we will be entitled to deliver the goods at the customer's cost and the customer will be obligated to accept the goods that we deliver. The customer will fall into delay with the acceptance according to Clause 4 at the latest when he does not accept the delivered goods according to Line 1.
7. *Force majeure* or an act of God releases us from fulfilling the contract for the duration of the hindrance; if it lasts for longer than 6 months, then either or both of the parties can withdraw from the contract. *Force majeure* or an act of God also includes the accidents and other causes that we could not foresee or avert, which result in postponing the beginning of our production or cause the work to be partly or entirely stopped: like shortage of materials, lack of fuel, difficulties with the transport, difficulties with the supply of energy i.e., electricity, interruptions of our own operation or a supplier's operation or both and delayed delivery of the raw materials, tools and machines which are required for the ordered fabrication.

V. Passage of risk and delivery

1. The delivery is agreed to be 'ex-works' insofar as nothing else arises from our acknowledgement of order. We always despatch the goods for the customer's account and at his risk, even in the case of that are *franco domicile* delivery or delivery duty paid and even in the case of transporting them with our factory's own vehicles.
2. The packing and packaging, as well as the despatch, will be done according to our best judgement; we are only liable according to Article VIII.
3. We will insure the goods or the transport or both according to the customer's instructions and at his cost. It is the customer's responsibility to regulate the damages or losses or both that are caused by the transport.
4. Partial deliveries are permissible to the extent that is reasonable for the customer, insofar as our acknowledgement of order does not expressly confirm anything else. In the case of a partial delivery that breaches the contract, there is only a right of withdrawal from the contract after a reasonable time limit has expired for the service or subsequent fulfilment and only insofar as the customer explains that he does not have any interest in the partial delivery.
5. The customer is not allowed to export our products outside the EU without our prior written consent; this express consent is not required insofar as the final destination of the products tallies with the customer's invoicing address. He has to ensure that his own customers comply with this provision in the same way.

VI. Parts that are provided by the customer

1. If the customer delivers parts, then he is obligated to deliver them free of charge to our factory and with an extra quantity of 5 % to 10 % to compensate for any rejection or extra production: namely, punctually and in flawless condition. The quantities must be sufficient for enabling us to continue processing them uninterruptedly.
2. The customer is obligated to remunerate us for the extra costs that have been caused as a result and to compensate us for the incurred damages in the case of unpunctual or insufficient delivery of the provided parts. We reserve the right in such cases to choose whether to interrupt the manufacture and only to resume it at a later point in time, or to cover the demand ourselves after receiving information from the customer in good time and to charge the extra cost to the customer. All of the delivery deadlines apply as cancelled in this case.

VII. Warranty for defects

1. We offer a warranty for defects in the delivered goods or for the manufacturing defects that existed at the time when the risk passed to the customer.
2. The customer's rights under the warranty require as a prerequisite that he has properly complied with his owed obligations of inspection and complaint according to Article 377 of the German Commercial Code; the customer himself will bear all of the costs that are connected with an inspection of incoming goods. The customer can only complain about the detectable defects within five working days, which is calculated from the passage of risk to the customer and subject to precisely specifying the asserted defect. Other defects must be asserted immediately when they are detected or by 12 months at the latest after the passage of risk. The persons whom the customer has authorized to check for defects, are not entitled to recognize the defects with effects against us.
3. If a customer's complaint about the defects proves to be justified, then we have the choice of subsequent performance (remedying the defects or delivering replacements) or reducing the remuneration; in the case of lasting business relationships, the remuneration can be reduced by means of credit notes for the defective goods. We are obligated in the case of subsequent performance to bear all of the expenses that are required for the purposes of remedying the defects or delivering replacements; especially the costs of transport, conveyance by road, work and materials, insofar as these expenses are not increased because the goods have been taken to a destination other than the place of performance (*domicilium executandi*).
4. Insofar as the subsequent performance fails, the customer is entitled to choose to withdraw from the contract or to reduce the remuneration by the amount of the value that is reduced by the defective goods when measured against the remuneration for them. The subsequent performance applies as having failed after it has been attempted twice unsuccessfully.
5. We are liable according to the legal provisions if the customer makes claims because of a faulty property or characteristic feature for which we have undertaken a guarantee. We will only make declarations about the guarantee in writing and if we have described them as such. Otherwise, we are only liable for the defective workmanship according to Article VIII.
6. The goods that we have recognized as defective must be returned to us at our express demand.

7. In the case of delivering defective goods, the customer has to pay for the undisputedly flawless part of the delivered goods plus the costs of transport, packing and packaging as well as the proportionate value-added tax.
8. Defects claims will be time-barred after 12 months have passed since the passage of risk. The legal periods of limitation apply if it can be proved that we acted fraudulently or deliberately, or if we have injured the life, limb or health of the customer. The legal period of limitation in cases where the supplier has recourse according to Articles 478 and 479 of the German Civil Code remain unaffected.

VIII. Joint and several liability

1. We are only liable to pay compensatory damages to the buyer i.e., customer to the extent that and insofar as we are responsible for bad workmanship. We are only liable for:
 - a) the least infringement of essential contractual duties that has been caused by simple negligence, which infringes achieving the contractual purpose;
 - b) the deliberate or grossly negligent infringement of non-essential contractual duties;
 - c) the culpable injury of the life, limb or health of the customer;
 - d) the defects that we concealed fraudulently or which we guaranteed are not present;or:
 - e) the defects in the delivered goods, insofar as we are liable according to the Product Liability Law for personal injuries or material damages that arise from the privately used objects.
2. The obligation to pay compensatory damages in cases according to Article VIII, Clauses 1a) and 1b) is limited to the contractually typical and foreseeable damage, insofar as the management or the managing employees do(es) not have any greater fault.
3. The buyer can only demand compensatory damages instead of performance, insofar as he has set us a reasonable period for the performance or subsequent performance by means of a registered letter. The period of grace must be at least 3 weeks. The same rule applies to a right of withdrawal from the contract.
4. Insofar as our liability is excluded or limited, this exclusion also applies to the personal liability of our office staff, factory workers, representatives and subcontractors.
5. All of the contractual claims for compensatory damages will be time-barred after 12 months have passed since the passage of risk. The statutory periods of limitation apply if it can be proved that we acted fraudulently or deliberately, or in the case of injury to the life, limb or health of the customer. The statutory periods of limitation remain unaffected in the cases that the customer has recourse according to Articles 478 and 479 of the German Civil Code.

IX. Tools

The cost of any tools that are mentioned in our quotation or in our acknowledgement of order only represents part of the actual manufacturing cost of the tools that are incurred from the costs of materials and wages and it applies as a guide price. The customer does not acquire any ownership of the tools or any claim to acquiring ownership of them by

means of remunerating these proportionate tooling costs. On the contrary, the tools remain our property and they stay in our possession.

X. Reservation of ownership

1. We reserve ownership of the delivered goods until the customer has fully settled all of our debt claims that are vested in us now or in the future, which arise from the business relationship with him.
2. We are entitled to retrieve the goods in the case that the customer's conduct breaches the contract, especially in the case of a defaulted payment. Our retrieval of the goods does not indicate any withdrawal from the contract, unless we would have expressly declared so in writing. Our seizure of the goods always means a withdrawal from the contract. We are entitled to sell the goods after retrieving them. The proceeds from the sale must be set off against the customer's liabilities, less the reasonable cost of the sale.
3. The seller is obligated to treat the goods conservingly; in particular, he is obligated to insure them adequately at the new value against any damages that could be caused by fire, water and theft.
4. The customer is entitled to resell the goods and to further dispose of them during the ordinary course of business. The further disposal is on a par with building the goods into the land or property or into the installations that are connected with buildings or utilizing them to fulfil other contracts for work or contracts for labour and materials.
5. The customer assigns to us herewith all of the debt claims that arise from the finally invoiced amount (including the value-added tax), which are vested in him against his own customer or against a third party from the resale: namely, irrespective of whether the goods have been resold without being processed or after they have been processed. The customer is also empowered to collect these debt claims after the assignment. Our entitlement to collect the debt claim ourselves remains unaffected by that. However, we undertake not to collect the debt claim provided that the customer complies with his payment obligations which arise from the collected revenues, he is not in arrears with payment and especially that no application has been made to open insolvency proceedings against him or that he has stopped payment. If this is the case however, then we can demand that the customer informs us about the assigned debt claims and their debtors, that he gives us all of the information that is required for the collection, that he hands over the associated documents to us and that he notifies the debtors (third parties) about the assignment.
6. The processing or remodelling of the goods by the customer will always be done for us; in particular, we apply as the manufacture for the purposes of Article 950 of the German Civil Code. The customer's expectant right to the goods continues with the new or reshaped article. If the goods are connected or processed with other articles that do not belong to us, then we will acquire the co-ownership of the new article at the time when it is connected or processed with another article. Otherwise, the same rule that applies to the goods that are our property also applies to the article that is created by means of the connection or processing.
7. If the delivered article is inseparably mixed with other articles that do not belong to us, then we will acquire co-ownership of the new article according to the ratio of our article's objective value with the other mixed objects at the point in time of the mixing. If the mixing is done in such a way that the customer's article should be considered as the main article, then it applies as agreed that the customer assigns the co-ownership

to us proportionately. The customer will safeguard the sole ownership or co-ownership for us, which has arisen in this way.

8. The customer also assigns to us his debt claims against a third party because of connecting the goods with land or property, in order to secure our debt claims against him that arise from the business connection.
9. Insofar as any claims against an insurer or a third party are vested in the customer because of damage, depreciation, loss or destruction of the secured goods or because of other reasons, he assigns them to us herewith in advance.
10. The customer is obligated to notify us in writing immediately whenever third parties have access to the conditional commodities or to the assigned debt claims, especially seizures. The customer has to immediately send us a copy of the seizure record and a certified insurance about the identity of the seized goods in this case. The customer is liable for the loss that we have incurred, insofar as the third party is unable to reimburse us for the judicial and extra-judicial costs of our prosecution and legal defence, especially a lawsuit according to Article 771 of the German Code of Civil Procedure.
11. We undertake to release the securities that are vested in us at the customer's demand, insofar as the realizable value of our securities exceeds the secured debt claims by more than 20 %, or it exceeds the nominal amount of the securities by more than 50 %; it is incumbent upon us to choose the securities that will be released.
12. In countries where a right that is similar to the right of retention does not exist, the customer grants us – herewith insofar as possible and also at the first request – the security that is of a comparable kind in the relevant country and which has the effect of further measures that are required for justifying the corresponding securities.

XI. Place of jurisdiction¹ and place of performance²

1. Munster in Westphalia, Germany is the sole place of jurisdiction; however, we are also entitled to sue the customer at his place of business or registered office, or at the court which has jurisdiction over his residence.
2. Our place of business or registered office is the place of performance for all obligations arising from the contractual relationship, insofar as nothing else arises from the acknowledgement of order.
3. In the event that these "General Terms and Conditions of Sale and Delivery of Pecocar Holland B.V." are translated and a dispute arises with regard to any concept therein, the interpretation thereof in accordance with the German text of these general terms and conditions will prevail.

¹ *domicilium disputandi*

² *domicilium executandi*

Albergen, December 2016

These General Terms and Conditions of Sale and Delivery were filed at the Court in Almelo on 22nd December 2016 as Number 30/2016.