

TERMS AND CONDITIONS

Application and entire agreement.

1. Scope of Application

- 1.1. The present General Terms and Conditions of Sale ("Sales Terms") shall apply exclusively to all present and future business relations between TORNELING, Lda., a company registered in Portugal under number (NIF) 500722102 whose registered office is at Rua Central das Barrosinhas, nº151, 3750-742 Alagoa – Águeda, Portugal (hereinafter referred to as "TORNELING" or "we" or "us") and the Purchaser (hereinafter referred to as "Purchaser" or "you") concerning the purchase of movable items ("Products") and any services related to the purchase of Products ("Services") even if they are not explicitly agreed on again.
- 1.2. These Terms and Conditions will be deemed to have been accepted by you when you accept them or the quotation or from the date of any delivery of the Goods (whichever happens earlier) and will constitute the entire agreement between us and you.
- 1.3. These Terms and Conditions and the quotation (together, the Contract) apply to the purchase and sale of any Goods between us and you, to the exclusion of any other terms that you try to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.
- 1.4. General terms and conditions of the Purchaser or proposals for modifications of the Purchaser regarding these Sales Terms or regarding the sales contracts shall not be applicable, even if they were not explicitly rejected by TORNELING in any individual case. In particular, and without limitation, a receipt, acceptance, acknowledgement or confirmation by TORNELING of any purchase order containing or referencing conflicting, different or additional terms, conditions or provisions shall not constitute a waiver, alteration or modification of the present Sales Terms. Upon placing an order by Purchaser, but by no later than the receipt of the delivery of the ordered Products, Purchaser recognizes the sole binding nature of these Sales Terms. They are an integral part of every contract, quotation or offer of TORNELING.
- 1.5. Any deviating, contradictory or supplementary general terms and conditions, even if known or not expressly objected to by TORNELING, shall not become a part of the contract, unless their application has been expressly agreed in writing.

2. Interpretation

- 2.1. A "business day" means any day other than a Saturday, Sunday or bank holiday in Portugal.
- 2.2. The headings in these Terms and Conditions are for convenience only and will not affect their interpretation.
- 2.3. Words imparting the singular number include the plural and vice-versa.

3. Offer and Conclusion of Contract, Documents, Release of Drawings

- 3.1. Offers by TORNELING are non-binding and only to be understood as a request for the submission of an order.
- 3.2. By placing an order for the Products the Purchaser makes a binding offer to purchase the ordered Products. Purchaser is bound by this offer placed by an order from the time of its receipt by TORNELING and for a period of two weeks. TORNELING is free to accept the offer or not. A binding contract comes into force upon a written confirmation of order issued by TORNELING. Oral agreements or commitments shall require TORNELING's written confirmation to come into effect. Emails and an exchange via the Electronic Data Interchange (EDI) shall satisfy the written form requirement of this Clause 3.2.
- 3.3. The Purchaser shall inform TORNELING already at the quotation stage of any unusual kind of stress to which the Products to be delivered will be subjected and point out any other risks which could arise in the course of their use.
- 3.4. TORNELING shall be the exclusive owner and reserves all rights in particular, but without limitation, property rights and copy- rights to its sales documents (including, but not limited to, drawings, illustrations, specifications or other documentation relating to the Products) and samples. They must neither be exploited nor made available to third parties without prior written approval by TORNELING and must be returned to TORNELING without undue delay upon request. If offers of TORNELING or order confirmations refer to TORNELING's product catalogue or brochure material, only

the most recent released version (printed or digital) thereof shall be relevant.

3.5. The ordered Products will be manufactured according to Purchaser's requirements when the Purchaser include the relevant description of quality, technical data, plans, current drawing, etc. (hereinafter: the "Quality Specifications") with each order. These Quality Specifications must therefore be expressly agreed between the Parties in writing.

3.6. The Purchaser must release the Quality Specifications, but particularly the relevant drawings and plans, to TORNELING in writing. Otherwise TORNELING is not obliged to manufacture the Products. Delivery and performance deadlines, etc. shall be extended accordingly.

4. Delivery Dates, Delays

4.1. Delivery deadlines and delivery periods are only binding if they have been confirmed by TORNELING in writing and Purchaser has disclosed or provided in a timely manner all of the information, Quality Specifications, released plans, documents, approvals and releases to TORNELING which are required for the execution of delivery and has paid any agreed advanced payments in accordance with the terms of contract. Agreed periods shall commence on the date of the confirmation of order or the notice of acceptance. In the event of subsequently issued, additional or expanded orders, the periods shall be extended accordingly.

4.2. TORNELING shall be entitled to make partial deliveries on justified grounds if such partial deliveries are reasonable to Purchaser.

4.3. Unforeseeable and unavoidable events outside of TORNELING's sphere of influence for which TORNELING bears no responsibility (such as force majeure, war, natural disasters, strikes, lock-outs, governmental measures, scarcity of energy and raw materials, damage from fire and explosions, traffic and operational disruptions, cyber-attacks, sovereign acts or similar events) shall discharge TORNELING from its duty to make timely delivery for their duration. Agreed periods shall be extended by the duration of the disruption; the Purchaser shall be informed by TORNELING without undue delay upon becoming aware of such disruption in an appropriate manner of the occurrence of the disruption. If the end of the disruption is not foreseeable or should it last for more than three months, each Party is entitled to cancel the contract with respect to the affected scope of performance.

4.4. If the Purchaser anticipates to be unable to accept delivery of the Products at the agreed delivery time, Purchaser shall forth-with notify TORNELING in writing thereof, stating the reason and, if possible, specifying the time when Purchaser will be able to accept delivery.

4.5. Regardless of Section 4.4 above, should Purchaser be in default of acceptance or be in breach of other duties of cooperation, TORNELING shall be entitled to store the Products at the risk and expense of Purchaser or to cancel the contract irrespective of any other rights it may have. TORNELING shall also, if the Purchaser so requires, insure the Products at the Purchaser's expense.

4.6. In the event that deliveries by TORNELING are delayed, the Purchaser shall only be entitled to withdraw from the contract, provided that TORNELING is responsible for the delay and the Purchaser had set a reasonable period of grace for effecting delivery and that TORNELING had not provided the Products, within this period of grace. In the case that TORNELING made a partial delivery, the Purchaser can only withdraw from the contract as a whole if the Purchaser cannot use the partial delivery due to the default.

4.7. With respect to the deliveries of those Products for which TORNELING purchases raw materials and supplier parts from its suppliers, this shall be subject to timely delivery by its own suppliers.

5. Prices

5.1. The agreed prices between TORNELING and Purchaser are fixed prices, provided the Parties have not agreed otherwise.

5.2. All Prices of TORNELING are stated in Euro ex-work, excluding one-way packaging or any other costs for shipping and/or insurance costs which shall be calculated separately and added at cost price

5.3. Prices do not include any applicable V.A.T. or any other incurred taxes, levies or expenses which are imposed or charged by any competent authority and they will be shown separately on the invoice in the respective legally applicable amount.

5.4. In case of an increase of costs due to any factor beyond our control including, but not limited to, material costs, labour costs, alteration of exchange rates or duties, or changes to delivery rates, TORNELING shall be entitled to start price negotiations with Purchaser. Both Parties shall conduct such negotiations applying the principles of good faith. If the Parties do not reach an agreement upon new prices within three (2) months starting such price negotiations by either Party, each Party is entitled to terminate with immediate effect the respective contract or price agreement as well as any supply contracts agreed under such contract or price agreement. Any (accepted) orders performance that already has started will be processed after such termination.

6. Payments

6.1. All payments must be made in Euro (€) unless otherwise agreed in writing between both Parties.

6.2. TORNELING's invoices shall become due for payment without any deduction within 30 days following the receipt of invoice by Purchaser unless otherwise agreed in writing. If this period for payment expires without success, Purchaser shall be in default.

6.3. Purchaser make payment even if delivery has not have taken place and / or that the title in the Goods has not passed to him.

6.4. In the event that the Purchaser is in default with his payments, TORNELING shall be entitled to demand default interest in the statutory amount. The assertion of a claim for further damage caused by such default of payment shall remain unaffected.

6.5. In case of default TORNELING shall be entitled to call due any accounts not yet due in the current business relationship with Purchaser.

6.6. In case of default TORNELING shall be entitled to suspend any further deliveries to the Purchaser.

6.7. If based on the default of payment of Purchaser TORNELING rescinds or terminates the contract and such rescission or termination constitutes a claim for damages of TORNELING against Purchaser, TORNELING is entitled to claim a lump-sum payment of 7% of the total value of the contract. Purchaser, however, is entitled to demonstrate that the resulting damage of TORNELING due to the default of payment of Purchaser is lower compared to such lump-sum.

6.8. If TORNELING becomes aware of the risk that Purchaser may possibly not be able to perform after the conclusion of contract, TORNELING is entitled to make any still outstanding deliveries only against advanced payment or provision of security. If the advanced payments or securities have not been provided even after the expiration of a reasonable grace period, TORNELING may cease making delivery until the advanced payments have been made or the securities have been provided or rescind all of the affected contracts in full or in part. TORNELING's assertion of further rights shall remain unaffected.

6.9. Payment by Purchaser shall only be deemed effected if TORNELING can dispose of the amount

6.10. Both parties must pay all amounts due under these Terms and Conditions in full without any deduction or withholding except as required by law and neither party is entitled to assert any credit, set-off or counterclaim against the other in order to justify withholding payment of any such amount in whole or in part.

7. Retention of Title

7.1. TORNELING shall retain title to the Products until any and all claims of TORNELING arising under its business relationship with Purchaser have been fully paid.

7.2. In the event of current accounts, such retention of title shall serve to secure the balance of unpaid balances to which balance TORNELING is entitled.

7.3. Any processing or transforming of the Retained Products by Purchaser shall always be on behalf of TORNELING. If the Retained Products are processed together with other goods, TORNELING shall acquire the co-ownership in the new product in the ratio of the value of the Retained Product to the other processed items at the time of processing. For the new product created by processing the same provisions shall apply as are applicable for the Products delivered under reservation.

7.4. If the Retained Products are joined or blended with other goods, TORNELING shall acquire the co-ownership in the new product in the ratio of the value of the Retained Products to the other items at the time of joining or blending. If the joining or blending takes place in such a way that Purchaser's goods are to be considered as the main goods, then it is agreed that Purchaser shall transfer the co-ownership to TORNELING on a pro rata basis. Purchaser shall keep the created co-ownership on behalf of TORNELING.

7.5. Purchaser shall provide TORNELING at any time with all requested information about the Retained Products or claims, if any, which are assigned to TORNELING under any contract. Accesses to or claims by third parties to the Retained Products shall be immediately reported to TORNELING by Purchaser and accompanied by the necessary documents. Purchaser shall at the same time advise the third party of TORNELING's retention of title. The costs of a defence against accesses and claims shall be borne by Purchaser.

7.6. Purchaser is obliged to treat the Retained Products with due care for the duration of the retention of title and – if possible - to mark them as property of TORNELING.

7.7. In the event Purchaser is in default of any material obligations such as payment to TORNELING, TORNELING will be entitled to take back the Retained Products and upon rescission of the contract may otherwise realize them for the purposes of satisfying its due claims against Purchaser without prejudice to any other rights TORNELING may have. In case of a claim for their return, Purchaser shall grant TORNELING or TORNELING's agents immediate access to the Retained Products and handover the same. Should TORNELING demand the handover under this clause, this shall not be deemed as rescission of the contract.

7.8. In case of deliveries into other jurisdictions in which the above provisions governing the retention of title do not have the same security effects as in Portugal, Purchaser shall take all measures in order to provide TORNELING immediately with equivalent security interests. Purchaser shall cooperate in all activities such as registration or publication which are necessary or beneficial for the effectiveness and enforceability of such security interests.

8. Complaints

8.1. Purchaser's rights because of defects in the Products require that the Purchaser inspects the Products upon delivery and notifies any defects to TORNELING without undue delay in writing by indicating the relevant invoice number, but by no means later than one (1) week after delivery; obvious apparent transport damages and incomplete or obviously false deliveries must be reported to TORNELING in writing in each case without undue delay. Hidden defects must be reported to TORNELING in writing without undue delay upon their discovery.

8.2. The notice of defect shall contain a description of the defect and also the shipping note number in order to enable TORNELING to allocate the delivery in question.

8.3. In the case of each notice of defect, TORNELING shall have the right to inspect and test the rejected Product. For this purposes Purchaser will grant TORNELING the required period of time and opportunity to exercise such right. TORNELING may also demand from Purchaser that he returns the rejected Product to TORNELING at TORNELING's expense.

9. Rights in the Case of Defects/Warranty

9.1. The Product shall upon the passage of risk comply with:

- I. the agreed quality; the agreed quality shall exclusively be determined by the specific agreements made by the Parties in writing with regard to the characteristics, features and characteristics of performance of the Product (called Quality Specifications), and
- II. the prototypes and/or samples released by Purchaser

9.2. TORNELING will not assume any general warranty for the fitness of its Products for certain purposes of use pursued by Purchaser unless TORNELING has explicitly warranted the fitness of the Product for the intended purpose of use in writing.

9.3. Purchaser is solely responsible for the decision on whether a Product that complies with the agreed Quality Specifications is fit for a certain purpose and for the nature of its use.

9.4. In the event of a processing in accordance with the Quality Specifications drafted and/or released by Purchaser, the quality shall be judged exclusively according to these Quality Specifications (and possibly other quality agreements made between the Parties). Purchaser shall not be entitled to any warranty claims whatsoever against TORNELING for defects in the Product that are based on the Quality Specifications. In particular, Purchaser is solely responsible for the correctness and feasibility of all of the Quality Specifications and supplements which are drafted by Purchaser and delivered to TORNELING and released by the Purchaser.

9.5. Provided the Parties have agreed a Production Release (cf. Clause 3) and the delivered Product complies with the prototypes and samples accepted by Purchaser, Purchaser shall not be entitled to any warranty claims whatsoever against TORNELING (provided all of the other agreed Quality Specifications have been satisfied).

9.6. Information on TORNELING's Web site or in the informational materials provided to Purchaser by TORNELING, as well as the information describing the Product, shall not be understood as a

specific guarantee for a particular quality of the Product; any such quality guarantees must be expressly agreed upon in writing.

- 9.7. In the following circumstances any warranty rights of the Purchaser against TORNELING are excluded:
- I. The Products are manufactured according to the specifications (e.g. drawings, specifications etc.) of the Purchaser and are improper for the intended use of Purchaser,
 - II. improper or incorrect use of the Product,
 - III. inaccurate installation or putting-into operation of the Product by Purchaser or any third party,
 - IV. normal wear and tear of the Product and its consumables,
 - V. incorrect or improper service and maintenance and/or handling of Product according to the instructions of TORNELING,
 - VI. any chemical, electro-chemical and/or electrical influences TORNELING is not responsible for.
- 9.8. TORNELING shall remedy defects at its own election by removing the defect or by delivery of a replacement free from any defect, both free of charge to Purchaser
- 9.9. TORNELING shall bear the costs of transport, travel, labour and materials which accrue for the purpose of Supplementary Performance. If the notice of defect proves to be unjustified due to wilful misconduct or gross negligence and if Purchaser was aware of this fact prior to notifying the defect, Purchaser shall be liable to TORNELING for the reimbursement of all the expenses (e.g. travel and shipping costs) and damages incurred in this context.
- 9.10. TORNELING shall be entitled to refuse Supplementary Performance, if such Supplementary Performance is only possible upon unreasonable costs. The assessment, if such costs are unreasonable is based on the circumstances of each single case. Indications for such disproportion of costs being on hand shall be especially, if the costs of the chosen kind of Supplementary Performance exceed by at least 20 % compared to the costs for the alternative kind of Supplementary Performance (so-called relative disproportion) or if the costs for Supplementary Performance exceed by 150% of the value of a defect-free Product or by 200 % of the defect-based reduced value of the Product (so-called absolute disproportion).

10. Limitation of Liability, Product Liability

- 10.1. For the breach of material contractual duties caused by slight negligence, the amount of TORNELING's liability shall be limited to

the typically foreseeable damage at the time of entering into the contract. Material contractual duties are those duties which create the legal position for Purchaser that the content and purpose of the contract was specifically supposed to grant to him, as well as those duties whose performance make the orderly fulfilment of the contract possible in the first place and upon the performance of which Purchaser regularly relies and may regularly rely.

- 10.2. TORNELING shall not be liable for the slight negligence breach of contractual duties other than those stated in Clause 10.1.
- 10.3. In all other respects, Purchaser's statutory claims to damages shall remain unaffected; in particular, TORNELING shall be fully liable in the event of wilful misconduct and gross negligence.
- 10.4. If Purchaser sells the Product, he shall indemnify TORNELING within their internal relationship from any product liability claims of third parties, provided he is responsible for the defect causing such liability.
- 10.5. Neither party shall be liable for any failure or delay in performing their obligations where such failure or delay results from any cause that is beyond the reasonable control of that party. Such causes include, but are not limited to: power failure, internet service provider failure, industrial action, civil unrest, fire, flood, storms, earthquakes, acts of terrorism, acts of war, governmental action or any other event that is beyond the control of the party in question.

11. Communications

- 11.1. All notices under these Terms and Conditions must be in writing and signed by, or on behalf of, the party giving notice (or a duly authorised officer of that party). Notices will be deemed to have been duly given:
- I. when delivered, if delivered by courier or other messenger (including registered mail) during the normal business hours of the recipient;
 - II. when sent, if transmitted by fax or email and a successful transmission report or return receipt is generated;
 - III. on the fifth business day following mailing, if mailed by national ordinary mail;
 - IV. on the tenth business day following mailing, if mailed by airmail.
 - V. All notices under these Terms and Conditions must be addressed to the most recent address, email address or fax number notified to the other party

12. Law and jurisdiction

12.1. This Agreement shall be governed by and interpreted according to the law of Portugal and all disputes arising under the Agreement (including non-contractual disputes or claims) shall be subject to the exclusive jurisdiction of the Portuguese courts.

13. Confidentiality, Final Provisions

13.1. All documents, sketches, designs, drawings, calculations and other documents provided or otherwise disclosed to the Purchaser shall remain the property of TORNELING. Purchaser shall ensure that they are treated confidential, i.e. that they are not disclosed to any third parties or used for any purposes other than for the purposes hereof. In particular, without limitation, Purchaser shall treat confidential all prices and other terms and conditions agreed with TORNELING.

13.2. Purchaser may not assign his claims against TORNELING to third parties without the written consent of TORNELING.

13.3. Changes and supplements to the contract between TORNELING and Purchaser and/or to these Sales Terms and side agreements must be in writing. This shall also apply to modifications of this written form requirement.

14. Severance

14.1. If a provisions of the contract and/or these Sales Terms, should be or become invalid as a whole, or in part then this does not affect the validity of the remaining provisions. The Parties undertake in such case to replace the invalid provision by such valid provision that comes as close as possible to the commercial purpose of the invalid provision.

15. Patents

15.1. Buyer warrants that any design or instructions furnished or given by it shall not cause Seller to infringe any Intellectual Property Rights in the performance of Seller's obligations under the Contract and shall indemnify Seller against all reasonable costs and damages which Seller may incur as a result of any breach of such warranty.