MKGS MORGAN KARBON GRAFİT SAN. A.Ş. TERMS AND CONDITIONS

1. INTERPRETATION

- 1.1 In the Contract:
 - "Business Day" means a day other than a Saturday, Sunday or bank holiday in Turkey.
 - "Buyer" means the person purchasing Products or Services pursuant to a Contract;
 - "Buyer Designed Product" means each product made by the Seller in accordance with the Buyer's Design Requirements;
 - "Buyer's Design Requirements" means the designs, drawings, parameters or specifications for Products provided by the Buyer to the Seller and to which the Seller has agreed in writing:
 - "Confidential Information" has the meaning given to such term in clause 10.1;
 - "Conditions" means the terms and conditions set out in this document:
 - **"Contract"** means each contract between the Seller and the Buyer formed in accordance with clause 2.3 and 3.5 for the purchase and sale of the Products and/or Services;
 - "Deliverables" means the items produced by the Seller and supplied to the Buyer as part of the Services (other than Goods).
 - "Delivery Date" means such estimated date for the delivery of the Products or completion of the Services as may be agreed between the Parties or notified by the Seller to the Buyer from time to time in writing;
 - "Delivery Location" means the location agreed between the Parties from time to time in writing to which Products are or are to be delivered;
 - "Due Date" has the meaning given to such term in clause 8.2;
 - "IPR" has the meaning given to such term in clause 9.1;
 - "Order" means the Buyer's order for the Products and/or Services (but excluding any terms and conditions which the Buyer may purport to apply in any such order);
 - "Order Number" means the number associated with the Order; as notified by the Seller to the Buyer in writing;
 - "Party" means either the Buyer or Seller, and "Parties" means both the Buyer and the Seller:
 - "Price" means the price for each of the Products and Services, as detailed in the Order, as such price may be increased from time to time in accordance with clause 7.1.;
 - "Products" means the Buyer Designed Products and the Standard Products;
 - "Seller" means the person supplying Products or Services pursuant to a Contract;
 - "Seller's Materials" has the meaning given to such term in clause 9.2.;
 - "Services" means the services (if any) described in the Order;
 - "Service Specification" means the description or specification of the Services, as agreed between the Parties from time to time in writing;
 - **"Standard Products"** means any "off the shelf" products which are generally sold by the Seller to any of its customers:
 - "Warranty Period" means (a) in relation to Buyer Designed Products, the period of 30 days from the date on which they are delivered to the Buyer or (b) in relation to Standard Products, the Seller's standard warranty period in relation to such Product or, in the absence of a standard warranty period, the period of 30 days from the date on which they are delivered to the Buyer.

2. BASIS OF PURCHASE

2.1 The Order constitutes an offer by the Buyer to purchase the Products and Services in accordance with these Conditions.

- 2.2 Any quotation for the Products or Services which may have been given by the Seller shall not constitute an offer by the Seller and is only valid for 30 days from its date of issue.
- 2.3 The Order shall only be accepted by the Seller when it issues a written acceptance of the Order and an Order Number.
- 2.4 The Contract constitutes the entire agreement between the Parties. The Buyer acknowledges that it has not relied on any statement, promise or representation made or given by/on behalf of the Seller which is not set out in the Contract.
- 2.5 These Conditions shall apply to the exclusion of any other terms and conditions that the Buyer may seek to impose or incorporate or, to the fullest extent permitted by law, which may otherwise be implied by trade, custom, practice or course of dealing. Neither the Seller's failure to respond to any such additional, different or inconsistent terms or conditions, nor Seller's commencement of performance shall constitute assent thereto.
- 2.6 The Buyer acknowledges and accepts that:
- 2.6.1 it is fully responsible for the contents of the Buyer's Design Requirements; and
- 2.6.2 the Standard Products are commercial off the shelf products and are not made to satisfy any Buyer's requirements.

3. DELIVERY AND ACCEPTANCE

- 3.1 The Seller shall ensure that delivery of each instalment of Products is accompanied by a delivery note which shows the date of the Order, the Order Number, the type and quantity of the Products, and any special storage instructions for the Products (if any) and, if the Order is being delivered by instalments the outstanding balance of the Order which remains to be delivered.
- 3.2 The Delivery Date is approximate only and the time of delivery of the Products and completion of the Services is not of the essence of the Contract. Whilst the Seller shall use its reasonable endeavours to meet any Delivery Date, the Seller shall not otherwise be liable for any delay.
- 3.3 The Products shall be supplied by the Seller "Ex-Works" (as this term is understood in Incoterms 2010) and the Buyer shall take delivery of the Products by collecting the Products from the Delivery Location within 3 Business Days of the Seller notifying the Buyer that the Products are ready for collection.
- 3.4 The Seller shall ensure that the Products are properly packed so as to enable them to be collected from the Delivery Location in good condition.
- 3.5 The Seller may deliver the Products by instalments. Each such instalment shall be treated as a separate Contract and the Services shall be the subject of a separate Contract to those for the Goods. Any delay in the delivery of or defect in any instalment or Services shall not entitle the Buyer to cancel any other instalment of Goods or Services provided or to be provided under a separate Contract.
- 3.6 The Buyer shall not be entitled to refuse to take delivery of Products if the Seller delivers up to and including 10 per cent more or less than the quantity of Products ordered provided that the Seller's invoice is adjusted to reflect the actual quantity delivered.
- 3.7 Subject to clause 11, if the Seller fails to deliver any of the Products, its liability shall be limited to any direct additional costs and expenses which are incurred by the Buyer in obtaining replacement goods of similar description and quality in the cheapest market available which, in aggregate, exceed the Price that has been paid or would have become payable. For the avoidance of doubt, the Seller shall only be liable for the excess.
- 3.8 If the Buyer fails to comply with the terms of clause 3.3, the Seller shall store the Products until the delivery takes place, and may charge the Buyer for all related costs and expenses (including but not limited to insurance and storage). and, the Seller is not responsible in case the Products get damaged during this period. If such delay exceeds 10 Business Days, in case the Buyer does not take delivery of the Products from the

Buyer, the Seller may withdraw from the Contract by notifying the Buyer immediately if such is the case, The Seller shall return to the Buyer any deposits taken less the costs and expenses referred to earlier in this clause 3.8 and any sale costs.

3.9 The Buyer will dispose of all packaging in accordance with all regulations relating to the protection of the environment.

4. WARRANTY

- 4.1 The Seller warrants that the Products shall conform in all material respects with the Standard Specification or Buyer's Design Requirements, as applicable, for the Warranty Period.
- 4.2 The Buyer shall inspect and test all Products supplied by the Seller during the Warranty Period. If the Buyer gives notice in writing (including reasonable details of the alleged failure) to the Seller within the that some of or all of the Products do not comply with the warranty set out in clause 4.1 the Seller shall, if such Products do fail to comply with such warranty, at its sole option, repair or replace the defective Products, or refund such proportion of the price of the defective Products that reflects the impact of the defect on the Products.
- 4.3 The Seller shall be entitled to require the return of any allegedly defective Products (freight prepaid) to verify the claim.
- 4.4 The Seller shall not be responsible for any defects or damages which are attributable to:
- 4.4.1 any repairs or alterations to any Products which are made by the Buyer without the Seller's consent; or
- 4.4.2 the Buyer failing to use, commission, install, maintain or store the Products in accordance with the Seller's instructions; or
- 4.4.3 any defect which arises as a result of the Seller following the Buyer's Design Requirements; or
- 4.4.4 any deviation from the Buyer's Design Requirements to ensure that the relevant Buyer Designed Products comply with applicable statutory or regulatory standards;
- 4.4.5 the use of the Products with any other products or raw materials not approved or supplied by the Seller:
- 4.4.6 any defects which arise as a result of fair wear and tear, abnormal working or storage conditions, or the wilful damage or negligence of any person other than the Seller or its subcontractors; or
- 4.4.7 as a result of any accident or misuse by the Buyer, or any breach by the Buyer of the Contract.
- 4.5 The Seller warrants that the Services shall be performed with reasonable care and skill and in accordance with applicable law, and shall comply with the relevant Services Specification in all material respects.
- 4.6 The Seller shall have the right to make any changes to the Services which are necessary to comply with any applicable law or safety requirements, or which do not materially affect the nature or quality of the Services, and the Seller shall notify the Buyer in any such event.
- 4.7 In the event of any defect in the Services, the Buyer shall be entitled to require the Seller by written notice, to promptly correct such defects.
- 4.8 Except as provided in this clause 4, the Seller shall have no further liability to the Buyer in respect of any defects in the Products or Services.

5. RISK AND TITLE

5.1 Title and Risk of damage to or loss of the Products shall pass to the Buyer upon collection by the Buyer pursuant to clause 3.

5.2 In the event that the Products has been delivered to the Buyer before the Buyer made full payment for Products and the Buyer goes into default, the Seller has the right to withdraw from the Contract and retake the possession of the Products. If such is the case, the Buyer is obliged to return the Products to the Seller immediately.

6. BUYER'S OBLIGATIONS

- 6.1 The Buyer shall:
- 6.1.1 ensure that the terms of the Order and the Buyer's Design Requirements are complete and accurate:
- 6.1.2 co-operate with the Seller in all matters relating to the Contract;
- 6.1.3 provide the Seller with such information and materials as the Seller may reasonably require to comply with its obligations under the Contract, and shall ensure that such information is accurate in all material respects;
- 6.1.4 obtain and maintain all necessary licences, permissions and consents which may be required for Buyer's purchase, transportation and use of the Products and as may be required for the Seller to provide the Services (except where and to the extent that the Parties agree in writing that this is the Seller's responsibility);
- 6.1.5 keep and maintain all materials, equipment, documents and other property of the Seller at the Buyer's premises in safe custody and in good condition and not dispose of or use the same other than in accordance with the Seller's written instructions or authorisation; and
- 6.1.6 notify the Seller in writing immediately on becoming aware of any Products or Deliverables being supplied into any country or territory in breach of any export or trade laws, or sanctions imposed by any one or more countries against such country or territory.
- 6.2 If the Seller's performance of any of its obligations is prevented or delayed by any act or omission by the Buyer or failure by the Buyer to perform any relevant obligation, the Seller shall without limiting its other rights or remedies:
- 6.2.1 have the right to suspend performance of the Contract until the Buyer remedies such default, and to rely on such default to relieve it from the performance of any of its obligations which are affected by such default;
- 6.2.2 not be liable for any costs or losses sustained or incurred by the Buyer arising directly or indirectly from the Seller's resulting failure or delay to perform any of its obligations; and
- 6.2.3 have the right to require the Buyer to reimburse the Seller on written demand for any costs or losses sustained or incurred by the Seller arising directly or indirectly from the Buyer's default.

7. CHARGES

- 7.1 The Price shall be as stated in the Order and shall unless agreed otherwise in writing be exclusive of any applicable excise, sales, value added taxes or any other taxes, levies or duties all of which shall be payable by the Buyer at the prevailing rate.
- 7.2 The Seller may, by giving notice to the Buyer at any time before delivery, increase the price of the Products or the Services to reflect any increase in the costs of them that are due to:
- 7.2.1 To be effective in the following delivery, fluctuations in the prices of raw materials, components, heat and power, wages or any other element contributing to the cost of manufacturing and/or delivering the Products, or performing the Services;
- 7.2.2 To be effective in the following delivery, any request by the Buyer to change the Delivery Date, the quantities or types of Products or Services ordered, the Service Specification or the Buyer's Design Requirements;
- 7.2.3 To be effective in the following delivery, any delay caused by any instructions of the Buyer, or failure of the Buyer to give the Seller adequate or accurate information or instructions;

8. TERMS OF PAYMENT

- 8.1In respect of Products, the Seller shall be entitled to invoice the Buyer on or at any time after notification that the Products are available for collection. In respect of Services, the Seller shall be entitled to invoice the Buyer on a monthly basis in arrears.
- 8.2The Buyer shall pay the Price in full and cleared funds to the bank account nominated by the Seller within 30 days of the date of the Seller's invoice (the "Due Date"). Time for payment shall be of the essence of the Contract.
- 8.3If the Buyer fails to make any payment by the Due Date, the Buyer is deemed to go in default without any notification. Then the Buyer shall pay interest on the overdue amount at the rate of advance interest. Within this scope, the maturity is final.
- 8.4The Buyer shall pay all amounts due under the Contract in full without any set-off, deduction or withholding, except to the extent required by law.

9. INTELLECTUAL PROPERTY

- 9.1For the purposes of this contract, "IPR" means knowhow, information relating to inventions, secret processes and manufacturing techniques, patents, patent applications, utility models, copyright and related rights, trademarks, trade names and domain names, rights in get-up, unfair competition rights, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, topography rights, moral rights, rights in Confidential Information and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world.
- 9.2For the purpose of the Contract, the **"Seller's Materials"** means any of the following materials which are used by the Seller to produce the Products or perform the Services:
- 9.2.1 any plans, drawings and specifications prepared by the Seller;
- 9.2.2 any details in respect of any material or the mix of materials used:
- 9.2.3 any pressing, moulding or firing/sintering method used; and
- 9.2.4 any other process, apparatus, standards or measuring technique, used by the Seller.
- 9.3Except for IPRs owned by the Buyer and forming the Buyer's Confidential Information (including but not limited to any Buyer's Design Requirements), all IPRs which subsist in the Products, the Seller's Materials or the Deliverables, shall be the exclusive property of the Seller and may only be used by the Buyer in connection with its use for internal purposes of the Products, the Services and the Deliverables.
- 9.4The Buyer has granted to the Seller a non-exclusive, worldwide, perpetual, non-terminable, irrevocable, royalty-free licence to use reproduce, modify and develop all IPRs which subsist in the Buyer's Design Requirements or any other Confidential Information of the Buyer disclosed to the Seller for the purposes of manufacturing and supplying the Products and providing the Services.
- 9.5Unless supplied by the Buyer or unless otherwise agreed in writing, any patterns, jigs and tools which are used by the Seller to manufacture the Products shall be the property of the Seller notwithstanding any charge made by the Seller for their manufacture. Where the Seller, at the Buyer's request, uses the Buyer's patterns, jigs or tools, any required maintenance or replacements shall be paid for by the Buyer. If for two consecutive years no Order is received from the Buyer for products to be manufactured from a tool either supplied by the Buyer or for which the Buyer has paid full cost to the Seller, the Seller shall be entitled to make such use of the said tool as the Seller decides and the Seller shall be entitled to, including but not limited to, dispose of the said tool without incurring any liability to the Buyer.

10.CONFIDENTIALITY

- 10.1 Each Party undertakes that it shall not at any time disclose to any person any confidential information disclosed to it by the other Party concerning the business or affairs of the other Party or of any member of its group, including but not limited to information relating to the Party's business relationship with the other Party, a Party's operations, processes, plans, product information, know-how, designs, trade secrets, software, market opportunities and customer information ("Confidential Information"), except as permitted by clause 10.2.
- 10.2 Each Party may disclose the other Party's Confidential Information:
- 10.2.1 to its employees, officers, agents, consultants or sub-contractors who need to know such information for the purposes of carrying out the Party's obligations under the Contract, provided that the disclosing Party:
- 10.2.1.1 takes all reasonable steps to ensure that such persons comply with the confidentiality obligations contained in this clause 10 as though they were a Party to the Contract; and
- 10.2.1.2 shall be responsible for such compliance with the confidentiality obligations set out in this clause;
- 10.2.2 as may be required by law, court order or any competent governmental or regulatory authority;
- 10.2.3 to the extent such information becomes public knowledge through no fault of that Party;
- 10.2.4 with the other Party's written consent.

11.LIMITATION OF LIABILITY

- 11.1 Nothing in the Contract shall limit or exclude ether Party's liability for:
- 11.1.1 death or personal injury caused by negligence;
- 11.1.2 fraud or fraudulent misrepresentation; or
- 11.1.3 any matter in respect of which it would be unlawful to exclude or restrict liability.
- 11.2 Subject to clause 11.1 the Seller shall not be liable to the Buyer, whether in contract, tort (including but not limited to negligence), or any breach of statutory duty, or otherwise, for any:
- 11.2.1 direct or indirect loss of profit;
- 11.2.2 special, indirect or consequential loss arising under or in connection with the Contract;
- 11.2.3 direct or indirect loss of business;
- 11.2.4 direct or indirect loss of goodwill:
- 11.2.5 direct or indirect loss of business opportunity; or
- 11.2.6 direct or indirect loss of anticipated savings.
- 11.3 Subject also to clause 11.1, the Seller's, its employees', agents' or subcontractors' total aggregate liability to the Buyer in respect of all other losses arising under or in connection with the Contract, including but not limited to losses caused by a deliberate breach of the Contract by the Seller, its employees, agents or subcontractors shall not exceed the total Price paid or payable under the Contract for the supply of the Products or Services which are the subject of the claim or, if the claim does not relate to any particular Products or Services, the total Price paid, payable or that would have become payable under the Contract.

12.INDEMNITY

12.1 To the extent that the Products are manufactured in accordance with any Buyer's Design Requirements, the Buyer shall defend and indemnify the Seller from and against all liabilities, demands, claims costs, expenses, judgments, awards, sanctions, fines, settlements, damages and losses suffered or incurred by the Seller in connection with any claim made against the Seller arising out of, related to or in connection with, in whole or in

part, the design, manufacture, sale, re-sale or use of such Products by any person, and any claims for death or personal injury, IPR infringement, property damage or other economic loss whether arising in contract, tort or under any other reason.

13.TERMINATION

- 13.1 Without limiting its other rights or remedies, each Party may terminate the Contract with immediate effect by giving written notice to the other Party if the other Party commits a material breach of its obligations under the Contract and (if such a breach is remediable) fails to remedy that breach within 20 Business Days of receipt of notice in writing of the breach.
- 13.2 Without limiting its other rights or remedies, the Seller may terminate the Contract or suspend performance of its obligations with immediate effect by giving written notice to the Buyer if:
- 13.2.1 the Buyer falls in financial difficulty and has inability to pay;
- 13.2.2 goes bankrupt, requests for concordat, suspension postponement of bankruptcy;:
- 13.2.3 the Buyer's power of disposition upon its assets is restricted fully or partially for any reason;
- 13.2.3.1 , a compromise with any creditor;
- 13.2.3.2 the appointment of a liquidator, receiver, administrator, administrative receiver or other similar officer;
- 13.2.3.3 an application, petition, notice, order or resolution for the or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);or
- 13.2.3.4 an enforcement of any security over any assets;
 - 13.2.6 the Buyer ceases or suspends or threatens to cease or suspend the conduct of all or substantially all of its business; or
 - 13.2.7. the Buyer suffers a deterioration in its financial position to such an extent, falls into inability to pay, undergoes a capital loss and/or becomes submerged in debt that in the Seller's opinion the Buyer's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy.
- 13.3 On termination of the Contract for any reason:
- 13.3.1 the Buyer shall immediately pay to the Supplier all outstanding sums in respect of the Contract:
- 13.3.2 each party shall return to the other Party all equipment, materials and property belonging to the other Party (including without limitation the Seller's Materials) that the other Party had supplied to it in connection with this Contract or which contain the other Party's Confidential Information:
- 13.3.3 each Party shall erase all the other Party's Confidential Information from its computer systems (to the extent reasonably practicable);
- 13.3.4 on request, each Party shall certify in writing to the other Party that it has complied with the requirements of this clause.
- 13.4 Termination shall not affect any of the Parties' rights and remedies that have accrued as at termination.
- 13.5 On termination of the Contract clauses 0, 2.4 to 2.6 inclusive, 3.7, 3.9, 4.1 to 4.4 inclusive, 4.7 to **Error! Reference source not found.** inclusive, 5, 6.2, 7.1, 8 to 12 inclusive, 13.3 to this clause 13.5 inclusive, 14, 15.1 and 16, , shall survive and continue in full force and effect.

14.FORCE MAJEURE

14.1 Notwithstanding any other provision of the Contract, the Seller shall not be liable to the Buyer or be deemed to be in breach of the Contract by reason of any delays in performing, or any failure to perform any of its obligations in relation to the Contract if the delay or failure is caused by any event beyond the Seller's reasonable control, which by its nature could not

have been foreseen by the Seller or, if it could have been foreseen, was unavoidable, including without limitation acts of God, adverse weather conditions, road closures, accidents, blockages or other matters that adversely affect public transport networks (including without limitation road networks), interruption or failure of any utility service or the internet, fire, war, acts of terrorism, riot, civil commotion, insurrection, sabotage, labour disputes, strikes, lock outs, industrial action, fuel shortages, shortages of raw materials, non-performance by suppliers or subcontractors, and governmental actions (a **"Force Majeure Event"**).

14.2 The Seller shall, as soon as reasonably practicable after the occurrence of a Force Majeure Event shall notify the Buyer of the nature and extent of such Force Majeure Event and shall use all reasonable endeavours to remove any such causes and resume performance under the Contract as soon as reasonably feasible.

15.COMPLIANCE

- 15.1 The Buyer shall, at all times, in its dealings with the Seller and any third party with whom it deals in relation to this Contract, comply with all applicable competition and export/trade laws. The Buyer will not, through any act or omission, cause the Seller to be in breach of any such laws or regulations.
- 15.2 A breach of this clause 15 shall be considered a material breach which shall give the Seller an immediate right to terminate this Contract without prejudice to its other rights and remedies.

16.GENERAL

- 16.1 The Seller may at any time assign, transfer, charge, sub-contract or deal in any other manner with any or all of its rights or obligations under the Contract.
- 16.2 The Buyer may not assign, transfer, charge or sub-contract or deal in any manner with any or all of its rights or obligations under the Contract without the prior written consent of the Seller.
- 16.3 Any variation of this Contract, including but not limited to the introduction of any additional terms and conditions, must be in writing and signed by or on behalf of the Parties.
- 16.4 Any notice required or permitted to be given by either Party to the other under these Conditions, shall be in writing addressed to that other Party at its registered office address or principal place of business and shall be sent by Notary Public, registered and reply-paid letter, recorded delivery, commercial courier or fax.
- 16.5 No waiver of any term or condition of this Contract shall be effective unless in writing or shall constitute a precedent.
- 16.6 Nothing in the Contract is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the Parties, nor constitute any Party the agent of another Party for any purpose.
- 16.7 If any court or competent authority finds that any term of these Conditions or the Contract (or any part of any term) is invalid, illegal or unenforceable as drafted, that term or part-term shall, to the extent required, be deemed to be deleted and the validity and enforceability of the other terms of the Conditions or the Contract, shall not be affected.
- 16.8 If any invalid, unenforceable or illegal provision of the Conditions or the Contract would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.
- 16.9 Regarding the validity and interpretation of the Contract and complying with the obligations, The legislations of Republic of Turkey shall prevail Related provisions of Turkish Code of Obligations Turkish Commercial Code and other related laws shall be applied to the matters not covered in this Contract.

16.10 The Parties irrevocably submit to the exclusive jurisdiction of the courts and the enforcement offices of istanbul to settle any claim or dispute that arises out of or in connection with the Contract.

In case the Buyer submits an offer to the Seller, it shall mean that the Buyer accepts all provisions which are set forth in this Contract, is obliged to fulfill the obligations and the parties are bound with this Contract. If the Buyer does not accept any of these provisions or thinks not to comply with the Contract, the Buyer should not give an offer.