

General Terms and Conditions No. 01/2014 of GenSys GmbH (hereinafter referred to as GenSys)

Our terms and conditions apply exclusively. We do not recognise any terms of the customer that are contrary to or deviate from our sales and delivery conditions. They shall apply only if we expressly recognize them in writing for that particular contract. Our terms and conditions apply, even when we carry out deliveries to the customer without any reservation despite being aware of the terms of the customers that are contrary to or conflict with our sales and delivery terms. All agreements regarding the execution of this contract made between us and the customer have been recorded in writing in this contract.

Our sales and delivery terms apply only to companies within the meaning of Section 310 I BGB [German Civil Code]. Our terms and conditions apply to all future business dealings with this customer.

§ 1 Offers and contract conclusion

(1) Our offers are subject to change. All agreements will be effective only after our written confirmation. We reserve the right to make changes, as long as they are reasonable for customers. If the order is to qualify as an offer in line with Section 145 BGB [German Civil Code], we may accept it within two weeks.

(2) We reserve the ownership and copyright of all documentation provided to the customer in connection with the award of the contract, such as calculations, drawings etc. These documents may not be made available to third parties, unless we give the customer our express written consent to do so. Insofar as we cannot accept the offer of the customer within 14 days, these documents must be sent back to us without delay.

§ 2 Prices and payments

(1) Unless otherwise agreed in writing, our prices are ex works plus packing, shipping, insurance and VAT at the applicable rate. Costs for packaging, shipping and insurance are billed separately.

(2) The purchaser bears the costs of any changes to the contract.

(3) We reserve our right to make reasonable price changes due to changes in wages, materials, supplies and distribution costs for the deliveries that take place 4 months or more after contract conclusion.

(4) With regard to subcontracting orders, the value of the scrap, swarf and other waste is included in the contract price.

(5) Agreed prices are not binding on subsequent orders.

(6) Unless otherwise agreed, the purchase price must be paid within 10 days of delivery. The deduction of any discount requires specific written agreement. The customer only has a right to offset if his counterclaims have been legally established, undisputed or acknowledged by us. He also has the right of retention only insofar as his counterclaim arises from the same contractual relationship.

(7) Bills of exchange and cheques will only be accepted as payment without any assumption of liability for protest and only by arrangement on condition that they may be discounted insofar as the customer immediately pays all the expenses associated with this in cash. Credit notes for this will be issued subject to receipt and minus all expenses at the value on the day on which we can dispose of the equivalent value without reservation.

(8) In the event of default, we are entitled to charge interest at the rate of the bank rates for overdrafts, but at least calculated at the rate of 8% above the base rate. The enforcement for higher damages remains reserved.

(9) Our receivables become due immediately if payment is not met or if circumstances arise which are likely to reduce the creditworthiness of the buyer. In this case, we are entitled to perform outstanding deliveries and services only against advance payment or security. If the advance payment or security deposit is not made within two weeks, we are entitled, without setting a new deadline, to claim damages for non-performance or to withdraw from the contract.

(10) The customer agrees to the off-setting of his debts and obligations to us. If accounts receivable and accounts payable fall due for payment at different dates, then settlement shall be on a value date basis.

§ 3 Delivery times

(1) Delivery periods begin on the date of order confirmation, but not before all order details have been clarified. They shall be deemed as having been complied with if the goods have left our plant or notification has been given by us that the goods are ready for dispatch by the end of the period of delivery. This shall be extended by a reasonable period of time, taking into account our overall planning, if the customer does not satisfy his obligations towards us or undertakes changes to the order.

(2) If the customer defaults on acceptance or if he culpably violates other cooperation obligations, we are entitled to demand the compensation of any resulting damage including any additional expenses incurred by us. The right to make further claims is reserved. Insofar as such aforesaid conditions apply, the risk of accidental loss or accidental deterioration of the purchased goods passes over to the customer at the precise point of time at which he is in default of acceptance.

(3) Delivery dates are subject to the proper and timely delivery by our component suppliers. This only applies to the case that non-delivery is not our responsibility, especially with the conclusion of a congruent hedging transaction with our component supplier. The customer will be informed of the unavailability of the service.

(4) We are entitled to make partial deliveries if they are reasonable for the customer.

§ 4 Qualities and quantities

(1) Material composition, quality and dimensions are determined by the EN and DIN standards and material data sheets, insofar as foreign standards are not agreed in writing.

(2) Industry-standard deviations in dimensions and quantities are allowed. Weight-related invoices may be made according to the theoretical weight of recognized standards and tables.

§ 5 Dispatch and transfer of risk

(1) Unless otherwise specified in the order confirmation, delivery is according to the Incoterms 2010 ex works (EXW).

(2) The risk, even with delivery free destination, passes to the customer upon the transfer of the material to a carrier or freight forwarder, at the latest when they leave our plant.

(3) If the goods are ready for shipment and the shipment or acceptance is delayed for reasons for which we are not responsible, then the risk passes to the customer upon receipt of the notification that the goods are ready for dispatch.

(4) Defective goods must be accepted by the purchaser without prejudice to his rights.

(5) The return of packaging is done in accordance with the applicable Packaging Ordinance. Packaging that is not contaminated and not sorted according to material will only be taken back on reimbursement of expenses.

§ 6 Retention of title and its special forms

(1) All goods delivered shall remain our property until all accounts receivable arising from the business relationship have been settled (reserved goods). This also applies if payments are made on specifically designated claims. In the case of running accounts, the reservation of ownership is used as collateral for the balance receivable. In the event of the customer being in breach of contract, especially in the case of default, we are entitled to repossess the goods. When we take the goods back, it shall be deemed as a cancellation of the contract. After taking the goods back, we shall be entitled to reuse them. The proceeds of reuse shall be credited against the outstanding liability, minus reasonable reuse costs.

(2) Reserved goods shall be processed on our behalf as a manufacturer in terms of Section 950 BGB [German Civil Code] without this placing us under any obligation. Processed goods shall be deemed as reserved goods. If reserved goods are combined and mixed with other goods we shall be entitled to co-ownership of the new object in proportion to the ratio of the invoice value of the reserved goods to the invoice value of the other goods. In the event that our title lapses through combining or comingling, the customer hereby assigns to us already his own rights of title to the new asset or object to the extent of the invoice value of the reserved goods. The customer shall store these free of charge on our behalf. The accrued co-ownership rights shall be deemed as reserved goods.

(3) The customer undertakes to store our reserved goods with due care at and to insure them sufficiently. The customer may only sell reserved goods in the ordinary course of business and in compliance with our terms of payment. These claims are hereby already assigned to us in the extent to which we are entitled. We accept this assignment. In the case of sales of goods in which we own a share, the assignment shall apply to the amount of our joint ownership.

(4) In the case of every resale, the customer undertakes to retain title in the reserved goods vis-a-vis his customers under the same conditions under which we retain title upon delivery of the reserved goods to the customer. No other disposals of the reserved goods are permitted. We are to be informed immediately of any restraints or other access to the reserved goods, so that we may take action pursuant to Section 771 ZPO [German Code of Civil Procedure]. If the customer does not meet this obligation, he shall be liable for any costs arising to us as a result. All costs for intervention shall be borne by the customer, insofar as they cannot be collected from the third party and the third party proceedings have been filed justifiably.

(5) Until we revoke our consent, the customer is authorised to collect the claims assigned to us. We shall be entitled to revoke this authorisation if the customer does not meet his obligations towards us or if we become aware of circumstances which significantly reduce his creditworthiness. At our request, the customer must undertake to inform his own customers immediately of the assignment and to give us the information and documents necessary for collection.

(6) If the nominal value of all existing securities exceeds the value of secured claims by a total of more than 10%, we are obliged to release securities to this extent at the customer's request.

(7) Insofar as the customer is entitled to claims against insurance companies or other third parties owing to damage, reduction, loss or destruction of reserved goods or for any other reasons, these shall also be assigned to us with immediate effect to the extent to which we are entitled. We accept this assignment.

§ 7 Notices of defects and guarantee

(1) Warranty claims of the customer presume that he inspects the delivered goods for completeness and accuracy after receipt at the place of destination, even if samples or specimens have been sent in advance. The goods shall be deemed approved if a complaint is not made within fourteen days of receipt, or, if the defect was not apparent during an inspection performed according to the rules, within seven days after its discovery in writing. Deviations in the delivered goods from the order confirmation which are customary for the industry shall in no way be deemed as defects. The buyer shall not be entitled to any claims for possible defects in the case of goods which have been sold as seconds.

(2) The customer undertakes to give us an immediate opportunity to convince ourselves of the defect, and in particular, at our request, to send or otherwise make available the rejected goods or samples thereof for immediate inspection. The customer must allow us the necessary time and opportunity to inspect the goods and, if applicable, to meet our obligation under warranty.

(3) Defect claims do not apply if there is only a minor deviation from the agreed nature of the goods or only a minor impairment of usability, natural wear and tear or in the case of damage occurring after the transfer of risk as a result of incorrect or negligent handling, excessive strain, unsuitable equipment, poor construction, unsuitable substratum or on account of special external influences that could not have been foreseen at the time the contract was concluded. In the case that the customer or a third party remedies any defects improperly or initiates any improper alterations of the goods, no claims on account of defects or deficiencies may be asserted on account of this or the consequences resulting thereof.

(4) In the case of a justified notice of defect, we are obliged, at our discretion, to rectify the defective goods or supply replacements. In

the event of the elimination of defects, we will only bear the costs of this up to the amount of the purchase price and to the extent they are not increased by the fact that the goods are transferred to a different place than the place of execution. If we do not satisfy our guarantee obligations, the customer may demand, with regard to the defective part, the price reduction or cancellation of the contract. The customer undertakes to first set us a reasonable grace period of at least six weeks, informing us of the consequences, unless this is unnecessary in accordance with the legal provisions. In the event that the contract is cancelled, the customer shall be liable for any deterioration, destruction and services not used, not just for his own customary due care and attention, but regardless of who is at fault.

(5) We shall only be liable for all other claims for damages or expenses to which the customer is entitled to as a result of or in connection with defects of the delivered goods, for whatever legal grounds, according to the provisions in Section 8. Guarantee claims made against us shall become statute-barred no later than 1 year after the handover of the goods to the customer or delivery to the place specified by him.

(6) Warranty claims due to fraudulent concealment of a defect or express assumption of a guarantee of quality or condition ("Beschaffenheitsgarantie") shall conform exclusively according to the legal provisions.

(7) If the end customer of the goods is a consumer, then the customer shall be entitled to recourse according to the statutory provisions of Sections 478 and 478 of the BGB [German Civil Code] under the prerequisites of Section 377 HGB [German Commercial Code]; however, he shall only be entitled to claims for damages and expenses according to the provisions in Section 8.

§ 8 Exclusion and limitation of liability for damages and compensation applications

(1) In the event of minor negligence, we shall be liable for claims for damages and reimbursement of expenses for culpable acts, on whatever legal grounds, including neglect of duty, tort, producer's liability, except for any possible liability under the Product Liability Act, only with an infringement of significant contractual obligations (cardinal obligations) which pose a risk to the purpose of the contract and only for the typical foreseeable damages. For the rest, our liability for minor negligence is excluded. In the event of liability owing to grossly negligent behaviour, we shall only be liable for the typical foreseeable damage. Furthermore, any strict liability is excluded.

(2) The exclusion and limitation of liability contained in paragraph 1 shall not apply in the case of liability for injury to life, body or health, as well as in case of assumption of a guarantee of quality or condition ("Beschaffenheitsgarantie") or in the case of fraudulent concealment of a fault.

(3) All claims for damages and expenditure, no matter on what legal grounds, shall become statute-barred one year after the transfer of risk, in the event of tort as of the knowledge or grossly negligent lack of knowledge of the circumstances justifying the claim or of the person obliged to pay compensation. This shall not apply in the case of wilful misconduct, in the cases stated in paragraph 2 and with an object, which has been used for a building according to its customary manner of use and which caused its faultiness. If the end-customer is a consumer, the statutory provisions shall apply to the statute of limitations.

(4) The provisions of Section 9 shall also apply for the benefit of our employees.

§ 9 Special provisions

In the case of production according to a customer's drawings, samples or other instructions, we shall assume no warranty and liability for the functionality of the product or for other faults, insofar as these circumstances are based on customer instructions. The customer shall indemnify us from any claims of third parties, including those based on product liability, asserted against us due to the damages caused by the goods unless we caused the damages by wilful misconduct or gross negligence.

10 Court of jurisdiction and applicable law

(1) The place of execution for all obligations arising from the contractual relationship shall be Wismar. The place of jurisdiction, including for documents, bills of exchange and cheque proceedings shall be, depending on our choice, either our registered office or the registered office of the customer.

(2) The law of the Federal Republic of Germany applies to all legal disputes between us and the customers and third parties who are liable for the fulfilment of the obligations of the purchaser. The UN International Sale of Goods (CISG) is excluded.

11 Interpretation

If there are differences of opinion in the interpretation of the wording of the English edition, the interpretation of the German wording shall prevail.