

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

1. Scope of application

1.1 These terms and conditions are part of all contracts concluded with our supplier – hereinafter referred to as Supplier – for both current and future business dealings.

1.2 Agreements that depart from the general conditions, particularly any conflicting terms and conditions of our suppliers as well as ancillary agreements must, in every single case, have our express written consent in order to be part of the contract.

1.3 The purchasing terms and conditions only apply to merchants within the meaning of Section 1 HGB [German Commercial Code].

2. Offer and contract conclusion

2.1 Offers must be submitted free of charge for us. When submitting an order, the Supplier must comply with the quantities, qualities and construction as specified in our enquiry/invitation to bid and, in the case of any deviations, to indicate such explicitly. The Supplier shall be bound by his offer for 2 months.

2.2 Our orders and other declarations are only binding if they have been given or confirmed by us in writing.

2.3 Computer-generated orders take effect even without a handwritten signature if they are submitted with an appropriate comment on the order form. Verbal agreements (and those made by phone) always require written confirmation from GenSys.

2.4 The Supplier must confirm each order in writing, indicating the binding delivery date, price, discounts, and our order number within 5 calendar days from the day the order was placed. Any drawings or documents attached to such confirmation shall become an integral part of the order. Our order number along with the date and the item number must be quoted in all correspondence, on all invoices and on all shipping documents.

2.5 If a written framework agreement has been concluded with the Supplier with regard to certain products, we shall dispense with any order confirmation when ordering or calling off these products. Individual orders placed within the framework agreement will be effective if the Supplier does not object to them within 5 working days after receipt. An order confirmation which deviates from the order shall be effective only if confirmed in writing. Call-offs in accordance with the agreed delivery schedule do not require confirmation.

3. Prices

3.1 The prices are fixed prices excluding value added tax (VAT).
3.2 They include payment for all supplies and services entrusted to the Supplier and are free to the place of delivery specified by us.

3.3 Requests for the right to increase prices require the written approval of GenSys.

3.4 Payment shall be effected, according to our choice, within 14 days with a 3% cash discount or within 30 days with a 2% discount or 90 days net as calculated from the beginning of the payment period, which starts on the same working day of the receipt of a proper and verifiable invoice or acceptance of goods or services – whichever date is later. So-called "prompt" or "immediately" payable invoices are generally paid within 30 days less 2% discount.

4. Dates and deadlines

4.1 Agreed delivery and performance periods begin on the date the order was placed. Delivery and service deadlines are binding and must, therefore, be strictly observed.

4.2 If the delivery date is exceeded, the Supplier shall promptly notify us in writing of the reason and the binding alternative delivery date.

5. Place of execution, partial deliveries, dispatch and insurance

5.1 The place of performance for all the goods and services to be rendered by the Supplier is the place of receipt specified by us.

5.2 The Supplier shall dispatch the goods to the place of receipt specified by us at his own expense and risk.

5.3 We are not required to accept partial, excess or short deliveries that have not been agreed on. With regard to quantities, weights and measures, the values that have been established by us during the receiving inspection are decisive.

5.4 On the day of shipment, a dispatch note/delivery note giving details of our order number, the quantity and the exact description of the goods and part numbers must be sent to us: the consignments must be accompanied by a delivery note with the same details. Otherwise we are entitled to refuse acceptance of goods at the expense of the Supplier.

5.5 The Supplier is responsible for insuring, at his expense, the goods completed and made available for collection against accidental loss (especially from fire and theft), accidental deterioration and culpable damage to the replacement value.

5.6 We may refuse to accept delivery of items if an event of force majeure or other circumstances which lie beyond our will (including labour disputes) make it impossible or unreasonable for us to accept delivery. In such an event, the Supplier has to store the delivery item at his own cost and risk.

6. Free-issue parts and documents

6.1 The Supplier shall store items (materials, substances, etc.) provided by us free of charge on our behalf. The Supplier shall be liable for any loss or damage to the items provided and shall notify us immediately of any legal or actual impairment to such items.

6.2 Items to be provided by us shall be used and processed on our behalf and remain our property at each stage of treatment and processing. With respect to the processing of items owned by third parties, we shall be entitled to pro-rata co-ownership of the newly manufactured item based on the value of the item supplied by us in relation to the total value of all items used for manufacturing plus the expenses incurred by the supplier. The same applies if our ownership is lost due to commingling or mixing of goods.

6.3 The Supplier has to hand over to us detailed documentation relating to the components to be supplied by him at his own expense and in good time before the start of production. The

Supplier must ensure that when we use these documents we are not restricted by the industrial property rights of the Supplier or third parties

6.4 Our technology and know-how and all related spoken or drawn advice and information provided by us are confidential and will remain our intellectual and physical property. The Supplier will not disclose such information or advice without our prior written consent. All documents given to the Supplier must be returned to us or destroyed after termination of the contract.

7. Invoices

7.1 After rendering the contractual service, the Supplier has to invoice us separately for each order and in duplicate. Our order number and part numbers along with the date must be indicated and the VAT must be shown separately on every invoice. The VAT identification number must be given. If these details are absent or incorrect, then we will not be in default of payment until the invoice has been completed or corrected.

7.2 Payment and discount periods shall run from the receipt of invoice, but not before the receipt of the goods or services or before their acceptance and, insofar as documentation or similar documents are part of the scope of services, not before their contractual transfer to GenSys. With regard to early acceptance of the delivery items, the payment period will start to run from the delivery deadline according to the order or from the receipt of invoice – whichever date is later.

7.3 Payments can be made by cheque or bank transfer, and it is sufficient if the cheque is mailed on the due date or the transfer was initiated at the bank on the due date.

7.4 When establishing default in payment, the receipt of an invoice or other payment statement cannot be in lieu of the receipt of the item purchase. The default interest rate amounts to 5 (five) percentage points over the base rate.

7.5 GenSys may assert the right to offset and withhold to the extent permitted by law.

7.6 In the event of defective delivery, we are entitled to withhold payment until the due performance, with no loss of rebates, discounts and other payment benefits.

8. Offsetting and assignment

8.1 Without our written consent, the Supplier is not entitled to assign claims against us to third parties, either in whole or in part. For assignments in advance within the framework of a reservation of title by suppliers of the Supplier, approval is given only subject to the provision that a set-off by us with counterclaims acquired subsequent to notice of such assignments is admissible.

8.2 Set-off with counterclaims of the Supplier is admissible only insofar as these claims are not disputed and due or are finally established in law.

8.3 For any counterclaims from past transactions or other transactions of an ongoing business relationship, the Supplier may neither refuse his services nor hold them back.

9. Guarantee

9.1 With regard to his deliveries, the Supplier must comply with the accepted rules of technology, safety and the agreed specifications. Changes to the delivery item shall require our prior written consent.

9.2 Even if we have checked the installation dimensions and the general technical details against the drawings sent to us and approved the items for GenSys production, this does not absolve the Supplier from his warranty. In particular, our examination shall not include checking whether dimensions are adequate or whether the materials used have been correctly chosen.

9.3 In the case of a purchase that constitutes a commercial transaction for us and the Supplier, we are entitled to a period of at least 15 working days to give notification of any obvious defects, wrong delivery or quantity error (Section 377 HGB [German Commercial Code]).

9.4 If a defect in terms of Item 9.1 is detected in a delivered item, we can demand either the return of the faulty delivery item in return for the immediate and free-of-charge delivery of a delivery item that is free of defects or an appropriate reduction of the consideration that we have to render (e.g. purchase price, wages and the like) or the remedy of the defect free of charge.

9.5 If the Supplier does not immediately meet his warranty obligations in accordance with our General Purchasing and Contractual Terms and Conditions or refuses to fulfil these obligations, we can assert, without further notice, the statutory warranty rights. In urgent cases, we are also entitled to repair a defective delivery item at the Supplier's expense or to obtain a replacement from a third party at the Supplier's expense without giving prior notice to the Supplier.

9.6 Our claims for reworking/substitute delivery as well as our claims to conversion, reduction or damages on account of the defect become time-barred in two years as of the transfer of the delivery item, unless the Supplier has maliciously concealed such defect. The statutory period of limitation begins with the handing over of the delivery items to the designated place of receipt. For repaired or replaced delivery items, the statutory period of limitation shall commence again with the completion of the repair or the re-commissioning by the end user.

9.7 For delivery items installed on ships, the statutory period of limitation for claims for defects begins with the delivery of the ship to the customer of the client. If acceptance of supplies and services is agreed upon by the contracting authority, the statutory period of limitation shall start from then.

10. Documentation

10.1 With regard to the safety components designated in technical documentation or by separate agreement, the Supplier must also keep special records noting when and in what, how and by whom the goods delivered or the features requiring documentation were examined and what the results of the required quality test were. The test documents must be stored for 12 years and presented to the customer when necessary.

10.2 Within the scope of the legal possibilities, the Supplier shall require subcontractors to comply with same obligations to the same extent.

10.3 As far as our customers or authorities demand to view the production process and the test records of the Supplier for the

purposes of verification and the safety of the quality, the Supplier will agree to our request to give them an insight into his operation and to provide all reasonable assistance.

11. Liability

11.1 We are liable for culpable violation of essential contractual obligations. Beyond such obligations, our liability on the merits is limited to intent and gross negligence and the amount of compensation for normally foreseeable damage.

11.2 With regard to the liability of the Supplier, the statutory provisions apply, unless otherwise agreed in these terms of delivery.

11.3 The Supplier is also required:

- to bear in mind the cutting edge of science and technology when developing and manufacturing the delivered goods
- to comply with all mandatory legislation
- to conduct a thorough functional and quality control before the delivery of the product
- to adequately document all measures taken to fulfil those duties, to keep this documentation for 12 years and to grant us access to the documentation at any time upon request
- in the event that a claim for damages is lodged against us on account of defects in the product, the Supplier is to release us from such claims upon the first written demand insofar as and to the extent that the damage has been caused by the raw materials and partial products delivered by the Supplier or services rendered by him
- and to reimburse, upon first written demand, any expenses arising from or in connection with a product recall carried out by us and for which the Supplier bears (shared) responsibility

12. Industrial property rights

12.1 The Supplier warrants that, with regard to his delivery and performance, no third-party rights are infringed.

12.2 If a third party makes a claim against us in line with the aforementioned Item 12.1, then the Supplier is obligated to release us from any claims upon first written demand.

13. Substituted service

13.1 The Supplier shall ensure the provision of spare parts for the period stipulated in the contract.

13.2 We must be informed in writing and in good time of any change in the parts, in particular changes to their construction, numbering and marking.

14. Cancellation and termination

14.1 When there is good cause, we are entitled to terminate the contract concluded with the Supplier or to withdraw from this contract at any time and without notice. A significant reason that entitles us to rescind the contract or to terminate it is constituted in particular when bankruptcy or insolvency proceedings have been initiated against the assets of the Supplier or if the fulfilment of the bankruptcy proceedings is rejected due to insufficient assets.

14.2 If defective goods are repeatedly delivered, we are entitled, with regard to successive delivery contracts, to terminate contract without observing a cancellation period.

15. Data protection

The Supplier agrees that we will store the Supplier's data as required within the framework of the business relations and the individual contracts regarding IT and only use them for our own purposes.

16. Court of jurisdiction / applicable law

16.1 The exclusive court of jurisdiction for both parties for all disputes arising directly or indirectly from the contract – including from documents, bills or cheques – is, in commercial business transactions, the district court of Wismar and the regional court of Schwerin. However, we are entitled to sue the Supplier at his headquarters, too.

16.2 German law applies. The application of the Uniform Law on the Formation of Contracts for the International Sale of Goods and the United Nations Convention on Contracts for the International Sale of Goods is excluded.

17. 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.