

General Terms of Sale and Delivery (GTSD) 07/2017 of di-soric GmbH & Co. KG, DE-73660 Urbach, Germany

1 General Provisions

- 1.1 Our deliveries and other contractual performances shall solemnly and exclusively be governed by these General Terms of Sale and Delivery (GTSD) in their latest version. General terms and conditions of Purchaser, whether diverging from, opposing to or supplementing these terms and conditions, shall not apply unless such being agreed upon individually, explicitly and in writing, even if we carry out orders knowing of such terms and conditions.
- 1.2 In the course of an on-going business relationship, our GTSD shall also apply to our future supplies and deliveries irrespective of such being explicitly agreed upon. Our GTSD shall also apply to any precontractual negotiations.
- 1.3 All intellectual property such as titles, other property rights, rights of exploitation and copyrights concerning cost estimates, drawings or other documents (for example in the context of individual client customized solutions) shall be reserved in our name. Such documents may only be made available to third parties with our express, prior and written consent and shall be returned to us, should the respective order in question not be placed with us. Any software provided shall be licenced to Purchaser only on a non-exclusive basis and only for use in its original and un-altered condition on the agreed hardware using the agreed parameters and solemnly in accordance with the conditions of licence offered.
- 1.4 Purchaser agrees to the digital storage and processing of his own details and the details of the purchase contract in accordance with the provisions of the German Federal Data Protection Act (Bundesdatenschutzgesetz (BDSG)).

2 Offer

- 2.1 Our offers shall solemnly be made subject to confirmation and shall only be construed as an invitation to treat.
- 2.2 References made directly or indirectly in our offers, to technical details, such as measures, weights, performance/performance features or physical or material quality, and any similar application related specifications shall only constitute mere guidelines within the usual limits in the trade, unless where explicitly stipulated otherwise in writing in the offer.
- 2.3 Technical alterations to the goods to be delivered or alterations to their respective design engineering shall be deemed accepted, except where the alteration is unreasonable or reduces the fitness for use.
- 2.4 We are entitled to deliver or perform according to the respective current state of the art, even if it changes after the conclusion of the contract.

3 Conclusion of Contract, Call-Off Orders, Samples

- 3.1 Purchaser's offers shall be valid and binding for a period of at least fourteen days, calculated from the day of receipt.
- 3.2 A binding and valid contract requires either our written confirmation of the respective order or our respective delivery or other contractual performance, the first of these alternatives to take place forming the relevant event. The order confirmation determines the scope of the contract; in the absence of such, our offer shall be decisive.
- 3.3 Call-off orders, i.e. orders for a particular overall quantity of goods to be delivered in partial quantities upon call-off within a specific period of time, require Purchaser to call such quantity off in one or more single quantities within the agreed time, otherwise within twelve months from the conclusion of the contract. Should Purchaser not call off the overall quantity within the call-off time period, we shall no longer be under an obligation of performance in advance; instead, we shall be entitled to deliver the remaining quantity subject to immediate payment. This provision shall not limit any possible rights to withdraw from the contract or any possible claims for damages.
- 3.4 In Germany, sample deliveries shall be deemed a sale on approval, unless explicitly stipulated otherwise. Deliveries of samples for export purposes shall be available as a sale for a special price. Sample equipment delivered in Germany shall be returned to us undamaged and with the original packaging within two weeks after the date of dispatch and at Purchaser's expense, unless Purchaser pays the invoice attached to the sample within this period of time. Samples sent abroad cannot be returned. Title to and ownership of samples shall rest with us until full payment of the invoice has been effected and we have received this payment.

4 Prices

- 4.1 Our prices shall cover delivery Ex Works (EXW Incoterms 2010) including the packaging of the equipment, unless explicitly stipulated otherwise. The transport packaging, the costs of transport, the costs of transport insurance, customs duties and unloading shall be invoiced separately on a lump-sum-basis. The statutory Value Added Tax on the due day shall be invoiced additionally.
- 4.2 Deliveries made without specific pricing agreement shall be invoiced according to the list price valid and officially available at the day of delivery.
- 4.3 The minimum value of each order shall be 50.00 € per German order as well as per foreign order. Smaller orders shall be processed at a separate handling fee of 25.00 €.
- 4.4 Should the time period between the conclusion of the contract and the date of delivery exceed four months, both Parties shall be entitled to adjust the contractual prices in accordance with an actual change of wages or of costs of material since the conclusion of the contract by at least 10 percent; such change shall be excluded, though, in cases of call-off orders under Clause 3.3, should fixed pricing be guaranteed.
- 4.5 Partial deliveries, including such deliveries in the context of call-off orders under Clause 3.3, shall be invoiced separately.

5 Payment, Late Payment, Exclusion of Set-Off

- 5.1 Our invoices shall be payable, subject to Clause 3.4, within thirty days, from the date of invoice, strictly net and always free point of payment as indicated.
- 5.2 All and every payments shall be made in EURO.
- 5.3 Means of payment other than cash or bank transfer of monies shall only be accepted if so stipulated in advance and, even if so stipulated, only as conditional payment. Provision of cheques or bills of exchange shall only constitute payment, if and when the last bill of exchange has been honoured. Acceptance of a bill of exchange shall only be deemed to constitute a prolongation of payment, if and when explicitly agreed upon in writing; Purchaser shall bear the interest as well as any costs and expenses, including bank charges.
- 5.4 Rebates or cash discounts shall only be deducted, if and when explicitly agreed upon in writing. Furtheron, any deduction of rebate shall only be admissible if we receive all payments of the order within the respective rebate time period.
- 5.5 If payment is received after the due date, we may charge a default interest of 8 percentage points above the base lending rate pursuant to Sec. 247 of the German Civil Code (BGB) (so-called Basiszinssatz under German Law), without prejudice to our claims for

actual damages exceeding the aforementioned amount.

- 5.6 Purchaser shall only set off claims against us which have been adjudicated by a judgment not subject to an appeal or for which the time to appeal has expired, which are not in dispute or have been acknowledged by us or are otherwise due and certain.
- 5.7 Should Purchaser delay payment for more than four weeks, should payment by cheque or bill of exchange be protested or should execution be imposed on Purchaser's assets, we may give notice to make further deliveries to Purchaser, whether owed under separate orders or under call-off orders, conditional upon advance payment.
Upon a significant deterioration of Purchaser's financial situation or other events seriously affecting his creditworthiness, all our claims become due and payable with immediate effect, even if we have received letters of credit. This shall apply in particular, if
 - Purchaser is late with the payment of considerable dues for more than four weeks,
 - the value of the securities provided for this particular contract decreases considerably,
 - the financial situation of the personally liable shareholder deteriorates significantly or is seriously at risk or
 - the personally liable shareholder dies or changes.

In such event, we are entitled to make further delivery conditional upon payment of all outstanding accounts and advance payment or the provision of securities. Should Purchaser refuse to do so, we shall be entitled to cancel the contract.

- 5.8 Purchaser may only exercise a right of retention, should his counter-claim be based on the same (single) order in question or, in a case of a call-off order, the same (single) call-off in question. Furthermore, such counter-claim shall require to fulfil the requirements as stipulated in Clause 5.6.

6 Time of Delivery, Impossibility of Performance

- 6.1 Any agreed delivery times (that is both delivery times and delivery dates) shall only be binding, if Purchaser has given any and all information, clearances, approvals of plans and such alike and has provided any and all construction drawings agreed upon, materials to be provided by him and testing equipment (hereinafter: assistance tasks) necessary for the production and delivery of the ordered goods, in a way that puts us in a position to achieve the respective goal (hereinafter: assistance goal); furtheron, that we are in receipt of any advance payments agreed upon; otherwise, the delivery time shall be postponed or prolonged accordingly until even the last of the before said requirements has been fulfilled, unless we are responsible for such delay.
The delivery time starts upon receipt of the confirmation of order.

Agreements about delivery dates shall require execution in writing in order to be valid and binding. A delivery time shall be met if, as agreed, either the goods to be delivered have left our place of business or we have given notice of readiness for dispatch in due time.

- 6.2 Correct and punctual deliveries by our own suppliers shall be reserved (so-called Selbstbelieferung under German law).
- 6.3 Agreed delivery times are reasonably postponed or prolonged in the event of industrial action, in particular strike and lock-out and in the event of extraordinary circumstances, which are beyond our control and impede on our contractual performance such as, but not limited to,
 - (i) machinery breakage, other damage to machines or machine parts,
 - (ii) acts of God, in particular civil war, mobilizations, blockades, acts of war, rebellion, sabotage, hurricanes, tornado storms, flood/low water, earthquakes, seismic/tsunami waves or other acts of nature, fire, explosion,
 - (iii) consequences of an energy crisis with impact to the national economy, shortage of raw materials and supplies, fuel, auxiliary material or energy,
 - (iv) seizure, import or export bans, embargoes or other administrative measures affecting us or our suppliers.

The same applies if similar restraining events affect a sub-supplier. Even if we are in default, we are not responsible for the aforementioned event. We will inform Supplier about the occurrence of such event without delay, its end and the expected new delivery date.

Should any of the before mentioned events render our commenced commitment to the order unreasonable, we shall be entitled to cancel the contract.

If such event persists for longer than six months, the contract shall be adjusted in good faith. Only if such an adjustment is economically unreasonable for one of the Parties, such Party can cancel the contract. If we intend to cancel the contract, we will inform Purchaser without undue delay, even if an extension of the delivery time had already been agreed.

- 6.4 Purchaser shall be responsible for the compliance with and the application of all relevant foreign trade and payments regulations (import licences, foreign exchange transfer etc.) and any other applicable law valid outside Germany, save where expressly stipulated otherwise.
- 6.5 Should we be responsible for a delay of delivery, Purchaser may cancel the contract after a reasonable extension of time to be granted to us has elapsed; should the delivery become impossible, granting of an extension of time shall not be required.
Any claims for damages on the basis of a delay with delivery (including compensation for consequential loss) as well as any claims for reimbursement of expenses pursuant to Sec. 284 of the German Civil Code (BGB) shall exclusively be governed by Ciper 9 (Liability).
- 6.6 The limitation of liability for delay with delivery under Ciphers 6.5 shall not apply to mercantile contract of sale with an absolutely fixed delivery date pursuant to Sec. 376 German Commercial Code (HGB) (so-called Fixhandelskauf under German law).

7 Consignment and Passing of Risk

- 7.1 Partial delivery shall be allowed in reasonable quantities.
- 7.2 We shall deliver „Ex Works“ (EXW Incoterms 2010), save where expressly stipulated otherwise. Should dispatch be part of our duties, we may choose the dispatch type sequence, the mode of dispatch and the carrier, save where expressly stipulated otherwise. Ordered modes of dispatch shall not be subject of any warranty. Only upon Purchaser's express request and at his expense dispatch shall be insured against damages due to theft, breakage, fire, water or other insurable risks.
- 7.3 The risk of accidental loss of or accidental damage to the goods shall pass over to Purchaser at the latest with the picking up of the goods by Purchaser or otherwise with dispatch to the carrier, irrespective of whether it is a partial or complete delivery or whether we have accepted other duties, such as the bearing of costs of shipping or the delivery to Purchaser.
- 7.4 The risk of accidental loss of or accidental damage to the goods shall also pass over to Purchaser in the event of a default in taking delivery or after ten days from the notice to Purchaser of readiness for dispatch. We shall insure the goods upon written order of Purchaser to that effect at his own expense.

- 7.5 Should Purchaser be responsible for delayed dispatch, we may charge for any actual costs of storage starting ten weekdays after the default in dispatch or after having given notice of readiness for dispatch; storage in our own facilities shall be charged for at a rate of 0.5 percent of the net value of the goods stored per month or part thereof. Alternatively, we may, after having granted reasonable respite, make other use of the goods and deliver to Purchaser goods of the same kind within duly and reasonably prolonged period of time.
- 7.6 Without prejudice to any warranty claims, Purchaser shall accept delivery, even if the goods delivered should show minor defects.

8 Responsibility for Defects, Custom-Made Products

- 8.1 Our goods fulfil all requirements under the technical rules and regulations applicable in Germany. The aforesaid shall also apply regarding any foreign technical rules and regulations, which are not applicable in Germany, if explicitly agreed so in writing.
- 8.2 With regard to deliveries of custom-made products produced according to specifications of an order that deviates from our product catalogue, Purchaser shall accept any consequential quantitative differences to the order customary in the trade up to a limit of 5 % above or below the quantity ordered.
- 8.3 Purchaser shall inspect any goods delivered immediately upon receipt for identity, quality or quantity deviations; notice of any obvious defects shall be given in writing without delay. Notice of hidden defects shall be given without delay after discovery. Should notice not be given in due time, the goods shall be deemed accepted by Purchaser.
- 8.4 Goods ordered shall only be or deemed to be defective, if and insofar as they show more than just minor deviations from the contractual quality or fitness for usage, according to the test of reasonableness, which result from circumstances antecedent to the passing of the risk, as there are in particular faulty design, materials or workmanship.
- 8.5 In particular, we shall not be liable for any consequences of Purchaser's failure to observe our operating instructions, security instructions or data sheet, the instructions regarding the assembly, connection and putting into operation or the technical data; we shall neither be responsible for faulty servicing or cleaning, inappropriate or unprofessional use, natural wear and tear, influences of not permitted chemical, electro-chemical, electrical or physical nature (i.e. fluids) nor for modifications or repair work by Purchaser or third parties, which had not been authorized by us in advance.
- 8.6 We shall remedy defects as follows:
Defects appearing within twenty-four months (current products of the brand di-soric) or within twelve months (products of other brands and discontinued products of the brand di-soric) after the passing of risk shall be remedied at our choice either by repair or by delivery of a replacement (supplementary performance); in the event of intent, fraudulent non-disclosure or violation of a guarantee, the statutory warranty period shall apply. We may refuse supplementary performance for as long as Purchaser is in default with payment of such part payment equalling the part of the delivery free from defects. Replaced parts become our property.

Purchaser shall give us the reasonably required time and opportunity necessary for remedying the defect. Such shall include an analysis of the cause of the defect, if necessary on site. Should a notice of a defect prove incorrect, because we are not liable for the cause of the defect, Purchaser shall be charged for the relevant servicing, in particular any tests and on-site services.

Only in urgent cases of danger to the operating safety, if disproportionately high damages need to be avoided or if we should be in delay with remedying a defect, Purchaser may, if he gives us advance notice of such circumstances and such intention without delay, remedy the defect himself or have it remedied by a third person.

Should remedying of the defect prove impossible or should have failed twice or should remedying of the defect or delivery of a replacement not have been accomplished or in a case of a fixed-date-transaction according to Sec. 376 HGB (German Commercial Code) occurred only with delay due to our fault, Purchaser may choose between a reasonable reduction of the contractual price or the cancellation of the contract; the latter being excluded in cases of only minor deviation from the contract.

The right to reduce the contract price or cancel the contract shall be excluded, once the right to ask for a supplementary performance is statute-barred.

9 Liability for Damages

- 9.1 We shall accept liability for damages or expenses (hereinafter: damages) as follows:
We shall accept liability for any wilful or negligent damage to life, limb or health; furthermore, for wilful damage or gross negligence by the owners of our company, our representatives and executive employees; further for fraudulent non-disclosure of defects, on the basis of a guarantee and of the German Product Liability Act (Produkthaftungsgesetz).
Furtheron, we shall accept liability for damages in the event of a wilful or negligent breach of a material duty, i.e. an essential contractual duty required to be performed in order to execute the contract and thus a duty Purchaser may reasonably rely on to be fulfilled, with this liability being limited to the predictable damage typical of this type of contract, unless it is a case of wilful damage or gross negligence or a damage to life, limb or health.
In the event of a wilful or negligent breach of a duty to provide information or of other secondary obligations, Cipher 8 and the preceding provisions shall apply mutatis mutandis excluding any further liability.

Any further liability for damages shall be excluded.

- 9.2 The distribution of the burden of proof in a legal action shall not be affected by the preceding provisions. The same shall apply regarding any right of recourse of the producer (so-called Herstellerregress pursuant to Sec. 478 BGB).
- 9.3 Any of the preceding exemptions or limitations of liability shall extend to the personal liability of our employees, representatives and auxiliary personnel.

10 Retention of Title

- 10.1 Ownership of the goods delivered, that is both title in and right of disposal of, shall remain with us (hereinafter: retention of title) until full payment of all open accounts within the framework of our business relationship with Purchaser, including any claims for interest or reimbursement of costs, has been made. Neither entering of particular claims into an open or running account nor balancing of credit and debit sides and having the result confirmed by us shall affect the retention of title.
- 10.2 Purchaser shall be allowed to sell such goods under reservation in the regular course of business; pledging or assignment as security shall not be permitted, though. Should his contingent right (so-called Anwartschaftsrecht under German law) be pledged or assigned as security, Purchaser shall point out the retention of title by us to the secured third party and shall inform us without delay of such pledging or assignment as security. Purchaser shall do his best to secure our rights in the course of any resale on credit; he shall in particular pass on the retention of title.
- 10.3 Purchaser herewith already assigns to us his claims for the purchase price from the resale of the goods under reservation up to the amount of our agreed purchase price; we herewith accept this assignment. Should the conditions of a resale exclude such assignment, such resale of the goods under reservation shall require our prior, express and written consent. The same shall apply, if Purchaser's claim were to be entered into an open or run-

ning account. Irrespective of a resale taking place unlawfully or with our consent, Purchaser herewith already assigns to us his claim for any credit balance in the amount of the invoice; we herewith accept this assignment.

- 10.4 Irrespective of the above assignment and our right of direct collection, Purchaser shall remain entitled to collect the debt under a resale in his own name, as long as he duly fulfils his obligations towards us and does not become insolvent. Upon a significant deterioration of Purchaser's financial situation – especially in connection with a formal application to start insolvency proceedings – his collection right shall cease, though.

Upon our request, Purchaser shall give us all information necessary for collection of the debt and shall further inform the debtor of the assignment. We may at any time, even if Purchaser is entitled to collection, request from Purchaser a signed declaration of assignment.

- 10.5 Any eventual processing or further fabrication of the goods under reservation shall be performed in our name and for our benefit, without resulting in any obligation for us, though. In the event of any further fabrication, adjunction, mixture or combination of the goods under reservation with other goods not belonging us, such proportion of the resulting joint ownership in the new product(s) shall vest in us, which is the equivalent to the ratio of the invoiced value of the goods under reservation to the value of the other goods at the time of the further fabrication, adjunction, mixture or combination.
The Parties to this contract agree that in the event, Purchaser acquires sole ownership of such new product(s), Purchaser passes such proportion of this property right onto us as is the equivalent to the ratio of the invoiced value of the goods under reservation to the value of the other goods at the time of the further fabrication, adjunction, mixture or combination; further that Purchaser stores such new product(s) for us free of charge.
In the event of a resale of the goods under reservation, after or without prior further fabrication, adjunction, mixture or combination, the above anticipatory assignment shall only survive in the amount of our invoice regarding the goods under reservation, which are being sold on together with other goods.
- 10.6 Purchaser shall insure the goods under reservation against all typical risks, in particular against theft, fire and water damage, until he acquires full ownership; Further on, Purchaser shall, on demand, provide us with a confirmation by an insurance company to that effect. Purchaser shall treat the goods under reservation with due care.
- 10.7 We shall, at Purchaser's request, release securities, if and insofar as the realistic achievable value of the securities provided by Purchaser exceeds the sum of the claims to be secured by more than 10 percent. We shall be free to choose the security to be released.
- 10.8 Purchaser shall secure and safeguard our title, right of disposal and property rights in accordance with the law and the statutory provisions of the country of destination of the goods under reservation and shall cooperate for that purpose in any way necessary. Should binding local law deny the validity of our retention of title, Purchaser shall, on our request, provide us with other security of equally lasting value.
- 10.9 The retention of title shall not affect the passing of risk pursuant to Cipher 7.

11 Provision of material and documents

Should Purchaser provide parts or material for the production or for other usage in the context of the processing of the order, we shall not inspect such provided material upon receipt for hidden defects, unless otherwise expressly agreed upon. Should such provided material prove unfit for any agreed processing or further fabrication, we shall inform Purchaser. It shall be Purchaser's responsibility to provide a solution. Possible additional costs shall be borne by Purchaser. Delivery times shall be deemed to be adequately prolonged or postponed.

12 Guaranties

- 12.1 References to technical standards or other sources of the acknowledged rules of technology shall solemnly serve to describe the relevant goods, but shall not constitute a guarantee. A binding guarantee requires an express stipulation to that effect or an express representation to that effect in advertising or sale material. Under such guaranty we shall be liable as follows:
- Guaranties shall only refer to the absence of defects of the material.
 - Liability under a guaranty shall require as a precondition the professional installation and operation in accordance with the operating instructions, security instructions or data sheet as well as an appropriate use of the goods.
 - Liability under a guaranty shall be limited to the replacement of the defective goods free of charge; any additional costs and expenses or any damages shall not be borne or covered for by us.
 - The statutory period of limitation shall start with the passing of the risk.

13 Industrial Property Rights and Copyright

- 13.1 Cipher 1.3 applies. Purchaser shall acknowledge and observe our industrial property rights, in particular but not limited to all titles to and ownership of domains, names, trade marks and other rights and brands and including title to and ownership of know-how. Each and any use of such shall only and exclusively be made in connection with our products and shall be limited to the use customary in the particular trade and in compliance with the applicable protective laws.
- 13.2 Regarding deliveries of customized products ordered with specifications deviating from our product catalogue, Purchaser shall solemnly be responsible and liable for the protection of any industrial property rights of third parties. Should a third party assert claims against us based on an infringement of industrial property rights (including claims for compensation for legal costs) with respect to such an order, Purchaser shall indemnify us from such claim including on a full solicitor and client costs basis upon our request and shall assist us in such matter to the best of his ability.

14 Severability Clause

Should any provision of these GTSD or any other provision within the framework of other contracts between the parties be or become invalid, illegal, void or unenforceable, the validity of all other provisions and contracts shall remain unaffected. The Parties shall agree to replace such invalid, illegal, void or unenforceable provision by such valid provision reflecting the originally intended economic aim as closely as possible.

15 Place of Performance, Jurisdiction and Venue, Applicable Law

- 15.1 Contractual place of performance regarding all and any deliveries and payments shall be our main seat of business at Urbach, Germany.
- 15.2 Venue for any and all disputes arising directly or indirectly out of or in connection with this contractual relationship shall be our main seat of business at Urbach, Germany. We shall be entitled, though, to also initiate legal proceedings against Purchaser at the courts having jurisdiction over Purchaser under the laws applicable at his place of business.
- 15.3 The entire agreement, its terms and all legal relationships between the Parties shall be solemnly and exclusively governed by and construed in accordance with the law of the Federal Republic of Germany. The United Nations Convention On Contracts For The International Sale Of Goods (CISG) and the German Law on Conflicts of Law shall not be applicable.
- 15.4 Any and all modifications or amendments of this contract shall only be effective, if confirmed by us in writing; this shall also apply to this requirement of written form itself.