

**General Terms and Conditions
of Business (GTC) of SYSTECH
Europe GmbH
for the Sale of Goods and
Services**

1. General

1.1 The following General Terms and Conditions of Business (GTC) of SYSTECH Europe GmbH (in the following also referred to as Seller) shall be exclusively valid for deliveries and services. The GTC shall only apply if the Buyer is an entrepreneur (Section 14 of the German Civil Code - BGB), a legal entity under public law or special fund under public law. Our GTC shall apply exclusively. The Buyer's deviating, opposing or supplementary General Terms and Conditions of Business shall only become a component of the contract, if and to the extent that we have expressly agreed to their validity in writing. This requirement of consent shall apply under all circumstances, for example even if we unconditionally make a delivery to the Buyer with the knowledge of its GTC.

1.2 These GTC particularly apply to agreements on the sale and/or the delivery of movable property (in the following also called: "goods"),

regardless of whether we manufacture the goods ourselves or purchase them from a supplier (Sections 433 and 651 of the German Civil Code - BGB). The GTC shall additionally apply in their valid versions as a framework agreement for future contracts governing the sale and/or the delivery of movable property with the same Buyer, without our having to refer to this again in each individual case; in the event of changes in our GTC, we shall inform the Buyer about this without delay.

1.3 Individual agreements reached with the Buyer (including subsidiary agreements, supplements and changes) shall in each case have precedence over these GTC. A written agreement or our written confirmation is decisive for the content of such agreements.

1.4 Legally significant declarations and notifications (e.g. setting of deadlines, notifications of defects, and declaration of withdrawal or reduction) that are submitted to us by the Buyer after conclusion of the contract require the written form in order to be valid.

1.5 References to the validity of statutory regulations are only for

the purpose of clarification. Therefore, the statutory regulations shall also apply without such a clarification, insofar as they are not directly changed or expressly excluded in these GTC.

2. Offer / Order confirmation

2.1 The offers of the Seller remain non-binding, unless it has been agreed otherwise in writing. This shall apply even if we have supplied the Buyer with catalogues, technical documentation (e.g. drawings, plans, calculations, cost estimates and references to DIN standards), miscellaneous product descriptions or documentation, including in electronic form. We reserve the ownership and copyright of such documentation.

2.2 The Buyer's ordering of goods shall be considered a binding offer of contract. Unless stated otherwise in the order, we are entitled to accept this offer of contract within ten days after we have received it. The acceptance may either be declared in writing (such as with an order confirmation) or by deliver of goods to the Buyer.

3. Prices and payment / Sale by dispatch

3.1 If not otherwise agreed, the prices shall be valid ex works plus statutory VAT, including loading at our factory, yet excluding packaging as well as other loading and unloading.

3.2 The delivery is made ex works or warehouse, which is also the place of performance. Upon request and at the expense of the Buyer, the goods shall be dispatched to a different place of destination (sale by dispatch). Unless otherwise agreed, we shall be entitled to determine the type of shipment (particularly carrier, dispatch method and packaging) ourselves. The Buyer shall bear the transport costs for sale by dispatch ex works or warehouse as well as the costs of possible transport insurance requested by the Buyer. Insofar as we do not charge the actually incurred transport costs in the individual case, lump-sum transport costs (excluding transport insurance) amounting to 100.00 EUR shall be considered agreed. Any possible customs duties, fees, taxes and other public charges shall be borne by the Buyer. Transport packaging as well as all other packaging in compliance with the

packaging ordinance (Verpackungsverordnung) are non-returnable and become the property of the Buyer; pallets are an exception.

3.3 In the event that the transport costs for the Seller increase without warning after conclusion of the contract, particularly from the increase in freight costs, surcharges, taxes, other official fees, packaging costs or insurance fees, the Buyer shall be obligated to compensate for these costs to the extent permitted under law.

3.4 The purchase price shall be due and payable within 30 days from the issuing of invoice and delivery or acceptance of the goods. In the case of contracts having a value of goods to be delivered exceeding 2,000.00 EUR, however, we shall be entitled to demand an advance payment amounting to 30% of the purchase price. The advance payment is due and payable within 14 days from the issuing of invoice. The above form of payment shall be made subject to the positive credit standing check of the Buyer.

3.5 If the above payment period lapses, then the Buyer shall be in default. During the period of default, there shall be default

interest payment on the purchase price at the most recent applicable statutory rate. The Seller reserves the right to claim further default damages. Our entitlement to commercial interest in the case of merchants (Section 353 of the German Commercial Code - HGB) remains unaffected.

3.6 If there are indications after conclusion of the contract, that our entitlement to the purchase price is at risk due to insufficient ability of the Buyer to pay (such as an application to open insolvency proceedings), then according to statutory regulations we are entitled to refuse service and – if applicable after setting a deadline – entitled to withdraw from the contract (Section 321 of the German Civil Code - BGB). In the case of contracts for the manufacture of items that are not replaceable (one-off production), we are entitled to declare withdrawal immediately; the statutory regulations governing the dispensability of setting deadlines remains unaffected.

3.7 Under the aforementioned conditions, the total outstanding claims from all business transactions shall become immediately due and payable. In this case, and to the extent that

the Seller maintains business contact to the Buyer, the Seller shall additionally be entitled to demand advance payments and security deposits, as well as for delivery to be based on "goods against payment".

3.8 The Buyer shall only have the right of offsetting or retention to the extent that his claim has been legally established or is undisputed. In the case of defects in the delivery, the reciprocal rights of the Buyer remain unaffected, particularly according to Item 9 of these GTC.

4. Insurance

Provided that the contract has been concluded based on the Incoterm CIF (Incoterms 2010), the price only includes costs of insurance that covers transport by sea. If the Buyer desires to have the goods insured against further risks, then the Seller shall be entitled to charge the Buyer for the costs of the additionally desired insurance.

5. Delivery time and delivery

5.1 The delivery time shall be individually agreed or stated by us when the order is accepted. If this is not the case, then the delivery time shall be approx. 8 weeks

from conclusion of the contract. Should a specific delivery time be expressly agreed ("within... weeks"), this time begins with the dispatch of the order confirmation. However, a delivery time is always subsequent to receipt from the Buyer of documents to be provided, approvals, releases and, if applicable, receipt of the agreed advance payment. The delivery date shall be considered met, if the goods to be delivered have left the factory, or if the Buyer has been notified of the delivery readiness, before the delivery date expires.

5.2 If we are unable to meet binding delivery time due to reasons for which we are not responsible (unavailability of the service), then we shall immediately inform the Buyer about this and at the same time give notification of the expected new delivery time. If the service is still unavailable within the new delivery time, then we shall be entitled to withdraw from the contract in whole or in part; we shall immediately reimburse any consideration already provided by the Buyer. The unavailability of the service in this sense particularly includes our suppliers

failing to deliver to us on time, if we have concluded a congruent hedging transaction, neither we nor our supplier are at fault, or if we are not obligated to procure the goods in the individual case.

5.3 The occurrence of our default in delivery shall be determined according to statutory regulations. A reminder from the Buyer, however, shall be required under all circumstances. If we are in default of delivery, then the Buyer can demand a lump sum compensation for its default damage. The lump sum compensation for each completed calendar week of the default shall be 0.5% of the net price (value of goods to be delivered), yet totalling a maximum of 5% of the value of goods with delayed delivery. We reserve the right to prove that the Buyer has suffered no damage, or only that substantially less damage occurred as the aforementioned lump sum.

5.5 The Seller shall be entitled to partial deliveries to a reasonable extent.

5.6 Unless agreed otherwise in these GTC, they should be interpreted in compliance with the respective INCOTERMS version as

adopted by the International Chamber of Commerce at the time of the respective contract.

6. Transfer of risk / Acceptance

6.1 The risk of accidental loss or accidental deterioration is transferred to the Buyer at the latest upon handover. In the case of sale by dispatch, however, the risk of accidental loss or accidental deterioration as well as the risk of delay shall already be transferred with the delivery of the goods to the forwarding agent, the carrier, or other person or agency for the execution of dispatch.

6.2 Provided that an acceptance has been agreed, this shall be decisive for the transfer of risk. In addition, the statutory provisions governing contracts for work and services shall apply accordingly to an agreed acceptance. Default of acceptance by the Buyer shall be equivalent to handover or acceptance.

6.3 At the request of the Buyer and at its own expense, the shipment shall be insured against theft, breakage, as well as damage from transport, fire and water, including other insurable risks.

6.4 In the event of a delay in shipment, for reasons that the

Seller cannot be held responsible, the risk shall be transferred to the Buyer from the day of delivery readiness. The Seller, however, shall be obligated to arrange the insurance that is requested by the Buyer at the latter's expense.

6.5 The delivered goods are to be accepted by the Buyer, notwithstanding its rights, even if they exhibit minor defects.

6.6 If the Buyer is in default of acceptance, fails to cooperate or if our delivery is delayed for other reasons for which the Buyer is responsible, then we are entitled to demand compensation from damages thereby arising, including additional expenditures (such as storage costs). For this purpose, we charge a lump-sum compensation amounting to 40 EUR per calendar day, starting with the delivery time or – in lieu of a delivery time – with the notification of delivery readiness of the goods.

6.7 The proof of a higher amount of damage and our legal claims (particularly reimbursement of additional expenditures, reasonable compensation and cancellation) remain unaffected; the lump sum, however, is to be set off against other monetary

claims. The Buyer shall remain entitled to prove that we have suffered no damage, or only that substantially less damage occurred as the aforementioned lump sum.

7. Retention of title

7.1 The sold goods shall remain our property until full payment of all of our current and future claims from the purchase agreement and an on-going business relationship (secured claims).

7.2 The goods subject to reservation of title may neither be pledged to third parties nor assigned as collateral security before the full payment of the secured claims. The Buyer must immediately inform us in writing, if and to the extent that there is any access by third parties to the goods that belong to us.

7.3 In the event of a breach of contract by the Buyer, particularly in the case of non-payment of the due purchase price, we shall be entitled in accordance with the statutory provisions to withdraw from the contract and/or to demand the return of goods based upon retention of title. The demand for the return of goods does not simultaneously contain a declaration of withdrawal;

instead, we shall merely be entitled to demand the return of goods and to reserve the right of withdrawal. In the event that the Buyer does not pay the due purchase price, we may only assert these rights if we have unsuccessfully set the Buyer a reasonable deadline previously, or if setting such deadline can be dispensed with according to statutory provisions.

7.4 The Buyer is authorised to resell and/or process the goods under retention of title in the orderly course of business. In this case, the following provisions shall also apply.

(a) The retention of title shall extend to the products resulting from the processing, mixing or combining of our goods at their full value, whereby we shall be deemed the manufacturer. If the ownership right of third parties continues to exist with a processing, mixing or combination with goods of third parties, then we shall acquire co-ownership in the ratio of the invoiced values of the processes, mixed or combined goods. In addition, the same shall apply to the produced product as to the goods delivered under reservation of title.

(b) The Buyer hereby assigns already at this time the claims against third parties, which are established from the resale of the goods or product in total or in the amount of our possible co-ownership share, to us as collateral according to the aforementioned paragraph. We hereby accept the assignment. The obligations of the Buyer stated in Par. 2 shall also apply in view of the assigned claims.

(c) The Buyer shall remain authorised to collect the claim in addition to us. We shall undertake not to collect the claim as long as the Buyer meets its payment obligations towards us, is not in default of payment, no application has been filed for the opening of insolvency proceedings and there is no other deficiency in its ability to pay. If this is the case, however, we can demand that the Buyer inform us of the assigned claims and their debtors, provide all of the information necessary for the collection, hand over the relevant documents, and inform the debtors (third parties) of the assignment.

(d) If the realisable value of the collateral items exceeds our claims by more than 10%, then we shall

at the request of the Buyer release collateral items at our discretion.

8. Installation

8.1 Installation and erection of machines by the Seller shall be agreed separately. In this case, the machine shall be installed and made ready for commissioning. The Buyer is to make available at its own expense the necessary area and fulfil all of the required technical preconditions. The Buyer obtains from the Seller, if applicable, the information required for this.

8.2 The Seller informs the Buyer about the day of readiness of operation of the machinery. If not otherwise agreed upon in writing, then the date of installation shall be two months after the date of delivery at the latest. If it had been impossible to immediately carry out installation after delivery, due to reasons for which the Buyer had been responsible, then the date of installation shall be considered the date of delivery.

8.3 Immediately upon receiving notification about the readiness of operation of the machinery, the Buyer is to inspect the machinery and its readiness of operation. The Buyer shall be obligated to

immediately notify the Seller in writing of all defects.

8.4 The remaining provisions of these GTC shall apply accordingly, particularly in regard to the warranty and the provisions on the exclusion of liability, to the extent permitted under law. The warranty period begins on the day of installation.

8.5 Training for the Buyer's personnel shall be agreed separately, as required.

9. Warranty

9.1 The statutory regulations shall apply to the right of the Buyer in the case of material defects and defects of title (including incorrect goods and quantity in delivery as well as improper assembly or insufficient assembly instructions), insofar as nothing otherwise is determined in the following. The special statutory provisions for the final delivery of the goods to a consumer (supplier recourse according to Sections 478 and 479 of the German Civil Code - BGB) shall in all cases remain unaffected.

9.2 The primary basis of our liability for defects shall be the agreement made regarding the quality of the goods. All product

descriptions that are the subject matter of the individual contract shall be deemed as an agreement on the quality of the goods; in this respect, it makes no difference whether the product description originates from the Buyer, from the manufacturer, or from us.

9.3 Insofar as the quality has not been agreed, the assessment of whether or not a defect exists shall be determined according to the statutory regulation (Section 434, Par. 1, Sentence 2 and 3 German Civil Code - BGB). However, we shall not be held liable for public statements made by the manufacturer or other third parties (such as advertising messages).

9.4 In the case of the Buyer's claims for defects, it is presumed that its obligation of investigation and reporting complaints (Sections 377 and 381 of the German Commercial Code - HGB) have been fulfilled. In the event that a defect is revealed during the inspection or later, this shall be immediately reported to us in writing. The report is deemed as immediate, if it is made within two weeks, whereby the timely dispatch of the report is sufficient in safeguarding the deadline. Irrespective of this obligation of

inspection and reporting complaints, the Buyer shall report in writing the obvious defects (including incorrect goods and quantity in delivery) within two weeks of the delivery, whereby the timely dispatch of the report is sufficient in safeguarding the deadline. If the Buyer fails to carry out the proper inspection and/or report of defects, then our liability for the unreported defect shall be excluded.

9.5 If the delivered object is defective, then we shall be entitled to initially choose whether we provide subsequent performance by remedying the defect (rectification) or by delivery of a faultless object (substitute delivery). Our right to refuse the subsequent performance under the statutory preconditions shall remain unaffected.

9.6 We shall be entitled to make the owed subsequent performance dependent on the Buyer's payment of the due purchase price. The Buyer shall be entitled, however, to withhold a reasonable portion of the purchase price that is proportionate to the defect.

9.7 The Buyer shall give us the required time and opportunity for the owed subsequent performance, particularly providing us with the defective goods for the purpose of inspection. In the case of a subsequent delivery, the Buyer shall return the defective object to us in accordance with the statutory provisions. The subsequent performance includes neither the disassembly of the defective object nor the reassembly, if the assembly was not our original obligation.

9.8 The expenditures required for the purpose of the inspection and subsequent performance, in particular transport, route, work and material costs (not: disassembly and assembly costs), shall be borne by us if there is an actual defect. In the event that the Buyer's demand for the remedy of the defects proves to be unjustified, however, we shall be entitled to demand from the Buyer reimbursement for the resulting costs.

9.9 If the subsequent performance has failed, or if the reasonable deadline to be set by the Buyer for the subsequent performance has expired or is not required according to the statutory

provisions, then the Buyer shall be entitled to withdraw from the purchase agreement or reduce the purchase price. In the case of a minor defect, there shall be no right of withdrawal.

9.10 Claims of the Buyer for damages or reimbursement of wasted expenditures shall only exist as provided in Item 10 of these GTC and are otherwise excluded.

9.11 The Seller shall not assume any guarantee for damages that are the result of the following reasons:

- Unsuitable or improper usage
- Improper assembly
- Improper installation or commissioning by the Buyer or third parties
- Natural wear and tear
- Improper or negligent handling
- Improper transport
- Improper storage
- Unsuitable operating materials or replacement materials
- Inadequate preparatory construction work
- Unsuitable ground
- Use of unsuitable software
- Chemical, electrochemical or electrical influences

9.12 The Seller assumes no liability for errors resulting from documentation (drawings, specifications, samples and the like) submitted by the Buyer.

9.13 If not otherwise expressly agreed, then the delivered samples are to be considered the standard accordingly; no guarantee is provided for the complete conformity of the delivered goods with samples.

9.14 The goods may only be returned to the Seller, provided that it is in agreement with this, and the delivery documents of the Seller shall be considered by the parties as final and binding with regard to weight and quantity.

10. Liability

10.1 Insofar as not otherwise derived from these GTC including the following provisions, we shall be liable according to the relevant statutory regulations in the event of breach of contractual and non-contractual obligations.

10.2 We are only liable for compensation of damages – irrespective of the statutory basis – in the case of wilful intent and gross negligence. In the case of simple negligence, we are only liable for

a) Damages arising from injury to life, limb or health,

b) Damages from the breach of an essential contractual obligation (an obligation which enables the proper performance of the contract and on which the contract partner can and does routinely rely); in this case, however, our liability is limited to the reimbursement of the foreseeable, typically occurring damages.

10.3 The liability restrictions derived from Item 10.2 shall not apply, insofar as we have deceitfully concealed a defect or assumed a guarantee for the quality of the goods. The same shall apply to claims of the Buyer in accordance with the German Product Liability Act (Produkthaftungsgesetz).

10.4 The Buyer shall only be entitled to withdraw or cancel due to a breach of obligation that does not consist of a defect, if we are responsible for the breach of obligation. A free right of cancellation by the Buyer (particularly according to Sections 651 and 649 of the German Civil Code - BGB) shall be excluded. Otherwise, the statutory

requirements and legal consequences shall apply.

11. Statute of limitations

11.1 Notwithstanding Section 438 Par. 1 No. 3 of the German Civil Code – BGB, the general period of limitation for claims of material defects and defects of title is one year from the date of delivery. Insofar as an acceptance has been agreed, the period of limitation begins with the acceptance.

11.2 If the goods are a building or an object, however, which has been used as a building in accordance with its normal use and which has caused the defect (construction material), then the period of limitation is 5 years from the date of delivery in accordance with statutory regulation (Section 438 Par. 1 No. 2 of the German Civil Code - BGB). Special statutory regulations shall remain unaffected for third-party claims to return in rem (Section 438 Par. 1 No. 1 of the German Civil Code - BGB), in the case of fraudulent intent on the part of the Seller (Section 438 Para. 3 of the German Civil Code - BGB) and for claims of recourse against the supplier for final delivery to the consumer (Section 479 of the German Civil Code - BGB).

11.3 The aforementioned limitation periods of sales law also apply to contractual and non-contractual claims for damages of the Buyer that involve a defect of goods, unless the application of the regular statutory limitation period (Sections 195 and 199 of the German Civil Code - BGB) would lead to a shorter limitation period in the individual case. The limitation periods of the German Product Liability Act (Produkthaftungsgesetz) shall remain unaffected in any case. Otherwise, the statutory limitations shall exclusively apply to claims for damages of the Buyer according to Item 10.

12. Infringement of intellectual property rights

12.1 In accordance with this Item 12, the Seller shall exclusively be responsible for the goods being free from third-party industrial property rights or copyrights. Each contract partner shall be obligated to immediately notify the other contract partner in writing, in the event that claims of the infringement of such rights are asserted against it. Upon our request, the Buyer must – as far as possible – grant the Seller the opportunity to conduct a possible dispute of the infringement of

third-party intellectual property rights (even in a court of law, if necessary).

12.2 In the event that the goods infringe upon third-party industrial property rights or copyrights, which neither involves a company directly nor indirectly controlled by the Buyer, the Seller – at its own discretion and at its own expense – shall modify or replace the goods in such a manner that the rights of third parties will no longer be infringed, yet the goods continue to fulfil the contractually agreed functions, or the Buyer obtains the rights of use by concluding a licensing agreement. If the Seller is unable to achieve this within a reasonable period of time, then the Buyer shall be entitled to withdraw from the contract or to reasonably reduce the purchase price. We are likewise entitled to withdrawal from the contract subject to the same preconditions.

12.3 Possible claims for damages of the Buyer shall be subject to the restrictions of Item 10 of these GTC.

12.4 In the event of the infringement of rights through our delivered goods of other manufacturers, we shall – at our

own discretion – assert claims against the manufacturer and prior vendor on the Buyer's account or assign them to the Buyer. In these cases, claims against us shall only apply according to this Item 12, if the enforcement of the aforementioned claims in court against the manufacturers and prior vendors was unsuccessful, or if chances of success appear unlikely, for example based on the opening of insolvency proceedings.

12.5 Claims of the Buyer in accordance with this Item 12 shall be subject to the goods not being manufactured according to plans or specifications of the Buyer, or the infringement of intellectual copyrights first occurring when the goods – in a manner that we could not foresee – are used in combination with another object not originating from us.

13.6 In the event that the Seller has manufactured or reworked the goods according to the plans or modifications of the Buyer, the Buyer shall indemnify us against all third-party claims that result from infringement of intellectual property rights due to the production, the sale or the use of

goods manufactured in this manner.

13. Choice of law and place of jurisdiction

13.1 The laws of the Federal Republic of Germany shall govern these GTC and all legal relationships between us and the Buyer, to the exclusion of international uniform laws, particularly the UN Convention on the International Sale of Goods. The preconditions and effects of the retention of title according to Item 7 are subject to the laws of the respective storage location of the object, insofar as it renders the choice in favour of German law inadmissible or invalid.

13.2 If the Buyer is a merchant according to the German Civil Code - HGB, a legal entity under public law or a special fund under public law, then the exclusive – even international – place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship is our place of business in Düsseldorf. However, we shall also be entitled to take legal action at the Buyer's general legal venue.

14. Severability

Should any provision of these General Terms and Conditions of Business be or become invalid, the validity of all the remaining provisions shall be unaffected. The invalid provision shall be replaced by another regulation or provision that comes closest to the invalid provision in the pursuit of the parties' economic objectives. A waiver of the Seller's rights due to a breach of the contract shall not be considered a waiver of rights due to later breaches.

15. Contractual principles

For all contracts that apply in regard to these General Terms and Conditions of Business, the parties are in agreement that lawful conduct as well as orders and restrictions by the authorities etc. shall always be observed.

Valid as of: January 2015