

## 1. Scope of application, offer and conclusion of contract

1.1 These Terms and Conditions shall have sole application and apply exclusively to enterprises, corporate bodies under public law or special funds under public law as defined by § 310, paragraph 1 of the German Civil Code (BGB). They shall also apply to all future orders. Any Contradictory or differing terms and conditions that the Buyer may have shall not be recognized and KOKINETICS hereby objects to them in advance. Similarly, such terms and conditions shall not apply to future orders, even if KOKINETICS does not object to them again in each individual case. Differing terms shall only be valid if KOKINETICS has expressly recognized them in writing.

1.2 KOKINETICS offers are subject to change. The order signed by the Buyer constitutes a binding offer. KOKINETICS has the right to accept this offer within two (2) weeks by sending a confirmation of the order or by delivering the ordered goods (also referred to as the "purchased item").

## 2 Scope of our Obligations

2.1 The scope of our Obligations shall be defined in our written order confirmation.

2.2 In the interests of technological advance, KOKINETICS reserves the right to make design and dimensional changes prior to the time of delivery; however, such changes shall not unreasonably affect the Buyer's interests.

2.3 Drawings, illustrations and similar documents that are part of the offers are only approximate and are not binding unless they have been defined as such. We reserve the right to make variations customary in the trade, particularly with respect to dimensions, structure, colour and weight.

## 3 Passing of risk

Delivery shall be "ex works" in accordance with the ICC Incoterms® 2010.

## 4 Delivery time, default

4.1 The delivery time specified by KOKINETICS shall not commence until all technical questions have been clarified and shall always be non-binding.

4.2 KOKINETICS shall be deemed to have complied with the delivery time if the shipping order has been placed or the customer has been notified that the goods are ready for delivery within the delivery time.

4.3 If delivery on call has been agreed, KOKINETICS shall have the right to deliver and bill the finished goods after no more than six (6) months even if the customer has not yet requested the goods.

4.4 KOKINETICS has the right to fill orders in partial deliveries, which shall be paid for separately within the periods set out in clause 5.3. If payment for a partial delivery is delayed, KOKINETICS shall have the right to suspend the processing of the order.

4.5 Unless otherwise agreed, KOKINETICS shall determine the means of transport and the route, without being responsible for selecting the fastest or the most inexpensive option.

## 5 Prices, terms of payment

5.1 Prices are quoted "ex works" in accordance with ICC Incoterms® 2010, plus the applicable value added tax, and exclusive of the costs of packaging, freight, customs duty, border clearance and safeguards.

5.2 In the case of contracts with an agreed delivery time of more than four (4) months, KOKINETICS reserves the right to increase our prices to match any increased costs, particularly due to collective wage agreements or increases in the costs of materials. Furthermore, KOKINETICS reserves the right to shift individual elements of cost within the overall price.

5.3 Our invoices are payable within two (2) weeks from the date of the invoice, without deductions.

5.4 Payments shall be deemed as made on time if the invoiced amount is credited to our bank accounts on or before the due date.

5.5 If the Buyer is in default of payment, KOKINETICS shall have the right to charge default interest at a rate eight (8) percentage points above the applicable base rate. We reserve the right to claim higher damages due to default.

5.6 In the event of default in payment or other considerable contractual infringements KOKINETICS reserves the right to switch payment method to prepayment.

5.7 Cheques and bills of exchange shall only be accepted on account of payment and, in the case of bills of exchange, by special agreement. Discount and bank charges shall be borne by the issuer. Payments shall only be deemed remitted once they have been credited to one of our accounts, free of any conditions.

5.8 The Buyer shall only have rights of set-off if the Buyer's Counterclaims have been recognized by a court judgment, are undisputed or have been acknowledged by us. Moreover, the Buyer shall only be entitled to exercise a right of retention to the extent to which the Buyer's Counterclaim is based on the same contractual relationship.

5.9 KOKINETICS reserves the right to terminate the contract in the following cases:

1. The customer's request for insolvency
2. Written testimony for lack of creditworthiness of the customer
3. Orderer closes or threatens to close business operations
4. Significant delay in the delivery date caused by Customer
5. In the case of continuing obligation under German law, the right of termination is replaced by a special right of termination.

## 6 Tools

6.1 The tools used to complete the order, for which we are entitled to charge a share of the tooling costs, shall remain our property, free of any restrictions and freely disposable in every respect, even if the share of the tooling costs is charged and paid for. If the share of the tooling costs is charged and paid, however, KOKINETICS shall not use the tool for deliveries to third parties or shall only do so with the Buyer's approval. After two (2) years from the last delivery to the customer, we shall no longer be obliged to store the tools.

6.2 KOKINETICS undertakes to carry out the necessary tool renewal measures (wear parts) free of charge for the Buyer, up to the maximum output quantity agreed upon. After this output quantity

has been reached, we shall notify the Buyer of the necessary replacement measures that become necessary as a result of normal use. The Buyer shall bear the costs incurred.

6.3 The Buyer assumes full liability towards third parties for any parts and tools that are provided and that originate from the customer's design and/or production facilities or from our production facilities in the version stipulated by the Buyer, if there is any violation of intellectual property rights, and the Buyer shall indemnify us against any claims made by third parties as a result of such a violation, including the costs of litigation.

## 7 Warranty and liability

7.1 The Buyer's rights under warranty shall be subject to the condition that the Buyer has properly complied with its duty under § 377 of the German Commercial Code (HGB) to examine the goods and give notification of any defects.

7.2 Claims due to defects are subject to a limitation period of two (2) years after the delivery of the goods. The above provisions shall not apply if the law makes longer periods mandatory. Our consent must be obtained before returning the goods.

7.3 If, despite all the care that has been taken, the delivered goods should have a defect that was already present at the time of the passing of risk, KOKINETICS shall repair the goods or deliver a replacement at our discretion (collectively referred to as "subsequent performance"), as long as we are notified of the defect within the time limit. KOKINETICS must always be given the opportunity to provide subsequent performance within a reasonable time limit. This provision shall not affect rights of recourse in any way. The Buyer agrees that the warranty period listed in clause 7.2 shall be suspended during the subsequent performance and shall not start again from the beginning once subsequent performance has been delivered.

7.4 If the subsequent performance is unsuccessful, the Buyer shall have the right to rescind the contract or to reduce the price of the goods, without prejudice to the Buyer's right to claim damages.

7.5 Claims due to defects shall not arise in the case of only minor differences from the quality agreed upon, minor impairment of the goods' serviceability, natural wear and tear and damage arising after the passing of risk as a result of faulty or careless handling, excessive strain, unsuitable materials or due to special external influences not anticipated in the contract. If the Buyer carries out improper repairs or modifications, the Buyer shall have no claims due to defects in respect of such work and its consequences.

7.6 The Buyer shall have no claims due to the expenses that are necessary for subsequent performance, particularly the costs of transport, travel, labour and materials, inasmuch as the expenses are higher because the goods delivered by us have subsequently been transferred to a different place than the Buyer's premises, unless this has been done in accordance with the goods' intended purpose.

7.7 The Buyer shall only have rights of recourse against KOKINETICS if the Buyer has not made any agreements with its customer that go beyond the statutory claims due to defects. Furthermore, clause 7.6 shall apply accordingly with respect to the scope of the Buyer's rights of recourse.

7.8 Any claims for damages on the part of the customer shall be limited to 10 per cent of the single supply owed.

7.9 Insofar as the conditions of exclusion are founded in the area of responsibility of the Purchaser, KOKINETICS rejects any claims for damages.

## 8 Intellectual property rights

8.1 KOKINETICS is liable for claims arising from any infringement of intellectual property rights and applications for intellectual property rights ("intellectual property rights") in the course of contractual use of the delivery items if at least one of the intellectual property rights has been published either by the European Patent Office or within the Federal Republic of Germany.

8.2 KOKINETICS indemnifies the Buyer and its customers from all claims arising from the use of such intellectual property rights. This shall not apply if we have produced the delivery items based on drawings, models, or equivalent descriptions or information provided by the Buyer and are not aware, or do not need to be aware in connection with the products developed by the Buyer, that this infringes any intellectual property rights.

8.3 Insofar as KOKINETICS is not liable pursuant to clause 8.2 sentence 2, the Buyer shall indemnify us from all third-party claims.

8.4 The Buyer and KOKINETICS mutually agree to inform each other immediately about any risks of injury and alleged incidents of injury that become known and to give each other the opportunity to counteract any such claims conjointly.

8.6 At the Buyer's request, we shall disclose the use of any published and unpublished intellectual property rights of our own as well as any licensed intellectual property rights and applications for intellectual property rights in relation to the delivery item.

8.7 KOKINETICS is and shall remain the owner of any inventions made by us prior to the start of a development project, the intellectual property rights applied for or granted in this regard, and the existing copyrights, design patents, and knowhow ("pre-existing property rights").

8.8 KOKINETICS shall inform the Buyer of any pre-existing property rights prior to usage and shall disclose pre-existing property rights immediately should they be used in the anticipated results of development.

8.9 Insofar as pre-existing property rights are required for the utilization of the results of a development project, the Buyer and its customers shall be granted a geographically unrestricted, unlimited, free, non-exclusive, irrevocable, and non-transferable right of use.

## 9 Reservation of proper supply, force majeure, and other impairments

9.1 In the event that, despite proper supply arrangements having been made, KOKINETICS does not receive the proper supplies or services from our subcontractors in a timely fashion, or in the event of force majeure, we shall duly notify the Buyer of this in writing. In this case, KOKINETICS has the right to delay delivery of the products for the duration of the impairment or to withdraw fully or partially from the as-yet unfulfilled part of the order, provided we have complied with our abovementioned duties of notification. Force majeure includes strikes, lock-outs, actions of authorities, scarcity of energy and raw materials, transport difficulties which are not culpably caused by us, any hindrances to operations which are not culpably caused by us, for example, as a result of fire, water and

machine damage, and any other hindrances which in objective terms have not been culpably caused by us.

9.2 In the event that a delivery date or delivery deadline is agreed in a binding manner and such delivery date or delivery deadline is not met as a result of any event under clause 9.1, the Buyer may, after the expiry of a subsequent further reasonable deadline, withdraw from the contract with respect to the non-performed part of the contract, if it would be objectively unreasonable for the Buyer to continue to be bound by such a contract. Any further rights to claims on the part of the Buyer are excluded in such cases.

## 10 Limitation of liability

10.1 KOKINETICS liability for or in regard to the Buyer's order is limited to claims that are based on intent or gross negligence, including intent or gross negligence on the part of our legal representatives and vicarious agents. Therefore, our liability and that of our legal representatives and vicarious agents does not include slight negligence unless it concerns a breach of essential contractual Obligations, death, physical injury and/or damage to health, liability under the provisions of the Product Liability Act or liability under other legally binding provisions.

"Essential contractual Obligations" are Obligations that protect the Buyer's legal positions which are material to the contract and which have to be granted to the Buyer with regard to the contract's content and purpose. Furthermore, "essential contractual Obligations" also refers to those Obligations that must be performed in order to allow the due performance of the contract itself and the performance of which the Buyer regularly relies on, and may rely on.

To the extent that we cannot be made liable for intentional breach of Obligations and there is no case of injury to life, personal injury or injury to health or any other case of mandatory legal liability, we shall be only liable for typical and foreseeable damage.

Any further liability for damages other than that set out in clause 10.1 shall be excluded, regardless of the legal nature of such claims. This shall apply in particular to any claims for damages resulting from fault at the time of the concluding of the contract, due to any other breaches of Obligations, or any claims under torts for compensation for property damage pursuant to § 823 of the German Civil Code (BGB).

10.2 In the event of our liability based on clause 10.1, our liability for property damage, indirect damage, and other assets is limited to an amount of one (1) million Euros.

The above maximum liability coverage shall not apply if our insurance providers cover the claim and the claim is actually paid by our insurance provider, or in the event of a breach of essential contractual Obligations, death, physical injury and/or damage to health, claims under the provisions of the Product Liability Act or claims under other legally binding provisions.

## 11 Reservation of title, assignment of claims

11.1 KOKINETICS reserves title to the items delivered until we have received all payments under the supply agreement. If the Buyer should be in breach of contract, particularly late payment, we shall have the right to take back the items delivered. If we take back the items delivered, this shall not constitute a withdrawal from the contract unless we have previously and expressly stated this to be the case in writing. The attachment of the purchased item by us shall always constitute a withdrawal from the contract. After taking back the purchased item, we shall have the right to dispose of it by

sale. The proceeds from the sale shall be set off against the Buyer's debts, minus reasonable selling costs.

11.2 The Buyer is obligated to treat the purchased item with care; in particular, the Buyer is obligated to insure it sufficiently against fire, water and theft for the replacement value and at the Buyer's own expense. If any maintenance and inspection work is necessary, the Buyer must duly carry out such work at its own expense.

11.3 In the event of attachments and other interventions by third parties, the Buyer must immediately notify us in writing so that we can bring an action in accordance with § 771 of the Code of Civil Procedure (ZPO). If the third party is not in a position to reimburse us for the court and out-of-court costs of bringing an action in accordance with § 771 of the Code of Civil Procedure (ZPO), the Buyer shall be liable for the ensuing loss.

11.4 The Buyer has the right to resell the purchased item in the normal course of business, but hereby assigns to us all claims against its own customers or third parties as a result of the resale, up to the sum of the final invoiced amount (including statutory value-added tax), regardless of whether the purchased item has been resold without being processed or after being processed. We hereby accept this assignment. The Buyer shall remain authorized to collect this debt, even after assigning it. This shall not affect our right to collect the debt ourselves. However, we agree not to collect the debt as long as the Buyer complies with its payment Obligations in respect of the proceeds collected, has not defaulted on payment and, in particular, has not filed for insolvency or ceased payments. However, if this is the case, we may request that the Buyer discloses the assigned claims and the names of the debtor, provides all details necessary for the collection of the debt, hands over the corresponding documents and notifies the debtor (third party) of the assignment.

11.5 The processing, adaptation or modification of the purchased item by the Buyer shall always be done in our name and on our behalf. If the purchased item is processed with other items that do not belong to us, we shall obtain co-ownership of the new item in the same ratio as that between the value of the purchased item and the other items processed at the time of processing. The same shall apply in the case of amalgamation. If the Buyer's item is to be considered as the main item in such an amalgamation, it shall be deemed agreed that the Buyer shall transfer co-ownership of the relevant share to us and shall store the item of which we are the sole owners or co-owners on our behalf, free of charge. The item created through processing or amalgamation shall also be subject to the same agreements as the item delivered subject to reservation of title.

11.6 To secure our claims against the Buyer, the Buyer shall also assign to us the claims that arise against a third party by combining the purchased item with real property. We hereby accept this assignment.

11.7 KOKINETICS undertakes to release, at the Buyer's request, any collateral to which we are entitled insofar as the value of our collateral exceeds the value of the claims to be secured by more than 20% (20/100); the choice of collateral to be released shall be at our discretion.

11.8 The reservation of title and any other security rights to which we are entitled shall be valid until complete indemnification from any contingent liabilities that we have assumed in the Buyer's interests.

12 Place of performance, place of jurisdiction, applicable law, miscellaneous

12.1 We are entitled to assign the claims from our business relationship.

12.2 The exclusive place of performance for payments and the place of jurisdiction is Frankfurt/Main (Germany) for both parties in respect of all present and future claims arising from the business relationship. However, we shall also have the right to bring an action against the Buyer before a court that has jurisdiction in the Buyer's place of residence.

12.3 All legal relations between ourselves and the Buyer shall be governed exclusively by the laws of the Federal Republic of Germany, excluding the conflict-of-laws rules and the UN Convention on Contracts for the International Sale of Goods.

12.4 If one or several provisions of these Terms and Conditions should be void, this shall not affect the validity of the remaining provisions. The clause that is void shall be replaced by one that is legally valid and is closest to the economic purpose of the clause actually agreed upon. The same shall apply to loopholes.