

Translation from the German language

General conditions of sale and delivery

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In the following text where the designation contractor is used, this means FiberSol GmbH and where the designation purchaser is used, this means the client.

§ 1 General

- (1) The following conditions of sale and delivery apply exclusively for all deliveries and miscellaneous services.
- (2) Diverging terms & conditions of purchase are not recognized, even if they do not contradict expressly.
- (3) Verbal subsidiary agreements require the written form for their validity.
- (4) The ineffectiveness of single regulations of this contract or of its components does not affect the validity of the remaining stipulations. The contractual partners are obliged to make reasonably efforts in good faith to replace an invalid condition for an effective regulation which equals their economic success, the same applies in the event that a situation that requires review is not expressly regulated.

§ 2 Quotations, scope of service and conclusion of a contract

- (1) Contractual offers of the contractor are without engagement.
- (2) The contractor will inform immediately the purchaser about the unavailability of the delivery item and refund the purchaser without any delay the corresponding service in case of withdrawal.
- (3) With regard to the scope of the service specified in the contract, the order confirmation of the contractor is decisive and authoritative.
- (4) Partial deliveries are admissible unless the purchaser has recognizably no interest in them or if they are not recognizably reasonable for him.
- (5) The documents as illustrations, drawings, indications of measurement and weight are, as a rule, only be understood as approximate values, unless they are expressly marked as binding.

§ 3 Prices and conditions of payment

- (1) Agreed charges are net and exclusive of value added tax applicable at this time.

The prices relate to delivery ex works/warehouse excluding packing or any other shipping expenses and transport charges. Packaging is calculated at the prime cost and can only be taken back if the contractor is obligated to do so by virtue of binding legal regulation.

(2) If the contractor takes into account the purchaser's request for changes, the purchaser will be charged with any extra costs arising therefrom.

(3) A down payment of 30 % of the total price is due after the conclusion of the contract and subsequent to contractor's invoicing. One month after the conclusion of the contract and invoicing, a further payment of 30 % of the total price becomes due.

The remainder of 40 % will become due within two months after the first delivery and invoicing of the contractor unless otherwise agreed in writing.

The invoices of the contractor are exclusively payable by bank transfer into the contractor's account.

(4) The contractor's invoices are considered as recognized unless otherwise disagreed in written form within a month upon receipt of the relevant invoice.

§ 4 Default of the purchaser

(1) The purchaser comes into default without further explications of the contractor 30 days after the maturity date unless he has paid.

(2) Upon negligent excess of the agreed delivery time FiberSol shall simultaneously reserve the right to assert further damage interest amounting to 9 % above the respective base interest rate of the Deutsche Bundesbank (German Federal Bank).

§ 5 Withholding of payment and retention

Withholding of payment and retention of the purchaser are excluded unless the set-off claim is uncontended and legally established.

§ 6 Place of delivery, risk assumption, cancellation due to unavailability

(1) Delivery is at the agreed place.

(2) The risk assumption is ruled according to the legal provisions of §§ 446 and 447 of the German Civil Code (BGB).

(3) Meeting of an estimated delivery time, is always dependent of timely receiving sub-supplies. If the possibility of delivery depends on the delivery of a pre-supplier and if this delivery fails for reasons for which the contractor is not responsible, the contractor is entitled to withdraw from the contract. For this reason, the purchaser shall not be entitled to damages.

(4) The same applies, when due to force majeure or other occurrences the supply will become substantially difficult or impossible for which the contractor is not responsible.

Such occurrences are particularly: fire, inundation, labor dispute, malfunctions, strike and administrative orders which cannot be attributed to operational risk of the contractor. In such cases,

the purchaser shall immediately be notified about the missing possibility of delivery and an achievement already furnished is refunded immediately.

§ 7 Retention of title

- (1) The delivery item remains the property of the contractor until all valid demands made by the purchaser as a result of business dealings are met.
- (2) The purchaser is not authorized to chattle mortgage or transfer, handling or processing of the goods.
- (3) If the goods are nevertheless worked and processed, the property rights cover the entire new object. The purchaser acquires joint ownership in the same proportion as the value of his goods to the value of the goods delivered by the seller.

§ 8 Warranty and notice of defects

- (1) If the sale is a commercial transaction for both parts, the purchaser shall examine the goods immediately after delivery by the contractor, insofar as this is appropriate in correct business practice and to notify the purchaser of any defects discovered without delay.
- (2) If the contractor fails to send such notification, the goods shall be deemed approved, unless the defect was such which could not be detected during the check.
- (3) If such defect should subsequently be discovered, the complaint shall be launched immediately after discovery; otherwise shall be deemed to be accepted despite the said defect.
- (4) The timely dispatch of the notice shall suffice to preserve the Client's (purchaser's) rights.
- (5) If the contractor has fraudulently concealed the defects, he cannot rely on these provisions.
- (6) Concerning the statutory warranty rights of the purchaser, by the way, reference is made to all legal and official regulations.
- (7) The warranty period shall be limited to 24 months.
- (8) Unauthorized reworking or inappropriate processing by the purchaser shall result in the loss of any claims based on defects, unless he proves that his own activities did not cause the defect.
- (9) The expenses required for supplementary performance are borne by the purchaser as far as they increase by deliveries being transferred to a place other than the place of business of the purchaser.

§ 9 Liability

- (1) Claims of the purchaser shall be excluded. This shall not apply in cases of intent or gross negligence, the violation of essential contractual obligations of the contractor or the absence of any attributes warranted in writing.

(2) The contractor is responsible in cases of deliberate acts or of gross negligence of the contractor or of a representative or vicarious agent as well as in cases of culpable violations resulting in injury to life, body or health as per the legal provisions. The liability of the contractor is limited to the foreseeable damages typical of this type of contract, in as far as no other of the exceptions listed under no. 8.4 of this paragraph (2) is present at this time. A change of the burden of proof to the disadvantage of the purchaser is not connected with the preceding provisions.

(4) The contractor is liable in case of delayed performance in cases of deliberate acts or of gross negligence of the contractor or of a representative or vicarious agent as well as in cases of culpable violations resulting in injury to life, body or health according to the legal provisions. The liability of the contractor is in cases of gross negligence limited to the foreseeable damages typical of this type of contract. Beyond the cases of sentence (1) and (2), the liability of the contractor because of default for damages apart from the performance of a total of 5 % and for the damages instead of performance including the replacement of futile expenditure is limited to a total of 10 % of the value of the delivery. Further claims of the purchaser are excluded, even upon expiry of a time set to the contract to effect the performance. The restriction does not apply in the event of culpable violation of the significant contractual obligations. The claim for damages for the culpable violation of significant contractual obligations is, however, limited to the foreseeable damage typical of this type of contract, unless, at the same time, another case according to sentence 1 has occurred. The right of the purchaser to rescind the contract according to §§ 6 and 10 of these conditions shall remain unaffected. The above rulings do not institute any change in the burden of proof to the disadvantage of the purchaser.

(5) The contractor is liable in the event of impossibility of delivery in cases of deliberate acts or gross negligence of the contractor or of a representative or vicarious agent as well as with a culpably caused injury to the life, body or health according to the legal provisions. The liability of the contractor is in cases of gross negligence limited to the foreseeable damages typical of this type of contract, if one of the exceptional cases listed on sentence 1 does not exist at the same time. Beyond the cases of sentence 1 and 2, the liability of the contractor because of default for damages apart from the performance of a total of 10 % and for the damages instead of performance including the replacement of futile expenditure is limited to a total of 10 % of the value of the delivery. Further claims of the purchaser for the impossibility of delivery are excluded, even upon expiry of a time set to the contract to effect the performance. The right of the purchaser to rescind the contract according to §§ 6 and 10 of these conditions shall remain unaffected. The above rulings do not institute any change in the burden of proof to the disadvantage of the purchaser.

§ 10 Withdrawal

(1) The purchaser can only rescind the contract within the framework of the legal provisions, unless the contractor is responsible for a violation of duties. The purchaser must declare himself within a reasonable period upon demand of the seller, whether he shall cancel the contract or if he insists on delivery. However, in the event of defaults, the legal provisions about withdrawal (cancellation) apply.

(2) The contractor has the right to rescind the contract if the purchaser's payment is delayed for more than one month, without the necessity of a previous setting of an appropriate deadline and

warning of a cancellation. The right of the contractor in case of cancellation to claim for damages shall remain unaffected by this. For the rest, the statutory provisions apply.

§ 11 Default of acceptance

If the default of acceptance of the purchaser entails a delay of shipment, the contractor shall reimburse the purchaser for the time of the default duration the storage costs which are customary at the place of business of the contractor. In spite of this, the contractor is also entitled to proceed to the warehousing of the objects (goods) with a forwarding agent and to invoice the purchaser the real expenditure which has occurred at this juncture.

§ 12 Place of jurisdiction

With all disputes arising of the contractual relationship, if the purchaser is a trader, a corporate body under public law or public special assets, action is to be raised at the court that is competent for the contractor's head office. The contractor is also entitled to sue the purchaser at its corporate headquarters.

§ 13 Choice of law

German law is applicable to the parties' contractual relationship, to the exclusion of the international law of conflicts (private international law).

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