

GENERAL TERMS AND CONDITIONS OF ELEMENT 22 GMBH

(June 2017)

1. [Scope of application]

The general terms and conditions of Element 22 GmbH (hereinafter referred to as "E22") shall apply as set out below. Any differing business and/or delivery conditions set out by the customer (hereinafter referred to as the "CUSTOMER") shall be overruled. These general terms and conditions shall apply to ongoing business relations with the CUSTOMER in the future as well.

2. [Conclusion of agreements]

E22 shall submit a no obligation offer containing all key contractual content to the potential CUSTOMER. On the basis of this offer the CUSTOMER shall place a binding order in writing with E22 (email shall suffice). The agreement shall attain validity once the CUSTOMER's order is confirmed in writing by E22 (email shall suffice) or once delivery of the goods is performed by E22.

3. [Prices, delivery and payment conditions]

Unless otherwise agreed, all prices are stated ex works ("EXW", Incoterms 2010) in net amounts. In the event of an arrangement for the performance of delivery at a different location, the CUSTOMER shall bear the transportation, packaging, and insurance coverage costs as well as any export and/or import levies.

Delivery dates and deadlines shall be binding only if such is expressly agreed.

The CUSTOMER is required to settle invoices within 15 days after receiving them. E22 shall be entitled to demand advance payments to an extent that is reasonable. The CUSTOMER shall have the right to offset claims only if the offsetting counterclaims have been established by a court of law or have been recognized by E22.

4. [Retention of ownership]

E22 shall retain legal ownership of the delivered goods until all claims arising from the business relationship with the CUSTOMER have been settled in full. The CUSTOMER hereby already assigns all claims against third parties resulting of the sale, processing, alteration, loss, or damage to the retained goods to E22 to serve as collateral. E22 hereby accepts the assignment. The CUSTOMER shall undertake to provide E22 with the names and addresses of the third parties as well as the monetary amounts of the transferred claims. If the realizable value of the collateral exceeds the claims asserted by E22 by more than 10%, E22 shall return part of the collateral upon request by the CUSTOMER. E22 shall choose which of the collateral items it wishes to return.

In the event of any processing or alteration of the retained goods by the CUSTOMER or a third party commissioned by the CUSTOMER, E22 shall qualify as the manufacturer within the meaning of Sec. 950 of the BGB ["Bürgerliches Gesetzbuch": German Civil Code]. If the processing or alteration involves the integration of parts to which E22 is not entitled to ownership, E22 shall acquire respective partial ownership. E22's co ownership of the results generated by the processing or alteration is limited to the final invoice amount (including VAT) of the retained goods. This co-ownership share acquired by E22 qualifies as E22's retained property.

The CUSTOMER is required to provide immediate written notification to E22 concerning any relocation of the retained goods or any possession thereof taken by third parties (in particular seizures). The CUSTOMER is required to send E22 a copy of the seizure report and inform the third parties and in particular the relevant judicial officer of E22's ownership of the property. The CUSTOMER shall bear any and all costs arising in connection with the enforcement of E22's rights.

5. [Tools, intellectual property]

E22 shall also, if set out under the agreement, develop the tools required for the production of the goods (in particular injection molds). In such cases, production of the goods may begin only after the CUSTOMER gives express approval of the component produced using the tool. The CUSTOMER is required to approve a component (and thus the tool as well) within a reasonable period of time following the provision of notification by E22 of the component's completion. Approval of the component and the tool

shall be regarded as synonymous with the issuance of the production order.

Unless otherwise agreed, E22 shall be entitled to all rights (including intangible rights) to the tools developed for production (in particular injection molds) and to any other assets generated. This also applies to cases in which the development costs are charged to the CUSTOMER on a pro rata basis. Any differing usage of the tools and generated results by the CUSTOMER (in particular the forwarding thereof to third parties) shall require the provision of express written consent by E22. Injection molds developed by E22 on behalf of the CUSTOMER shall be stored by E22 for a period of three years following the last usage for production.

E22 is not required to obtain insurance coverage for tools or other items such as models, dies, control gauges, etc. provided to E22 by the CUSTOMER. E22's liability for damage to or loss of such items is set out in section 7 of this document. If the CUSTOMER fails to comply with a request by E22 within a reasonable period of time to retrieve an item no longer needed, E22 shall be entitled to destroy and dispose of this item.

6. [Warranty]

The CUSTOMER shall observe the complaint and notification obligations set out under Sec. 377 of the HGB ["Handelsgesetzbuch": German Commercial Code]. In the event that a delivered product has any deficiencies, E22 shall be entitled to choose whether to remedy the deficiencies or to deliver a new product. If an attempt to remedy the deficiencies is unsuccessful and/or if E22 fails to deliver a new product, the CUSTOMER shall have the right to choose between lowering the payment amount and withdrawing from the agreement.

E22 shall produce components and/or the necessary tools in accordance with the CUSTOMER's specifications and requirements. Unless otherwise expressly agreed in writing, E22 shall not accept any liability for the suitability of the components for the objectives pursued by the CUSTOMER.

7. [Liability]

E22 shall not accept any liability for damages not pertaining to the actual delivered item. Furthermore, E22 shall not accept any liability for lost profits or other financial losses incurred by the CUSTOMER. In the event that E22 violates an essential contractual duty in a negligent manner, its rectification obligation shall be limited to providing compensation for foreseeable damages typically incurred in cases of contractual violations of this nature.

E22's lack of or limited liability shall also extend to the personal liability of its employees, representatives, and agents.

The aforementioned liability limitations shall not apply to personal injuries affecting body, life, and health, to willful or grossly negligent behavior, or to claims arising from the ProdHaftG ["Produkthaftungsgesetz": German Product Liability Act].

The CUSTOMER shall be liable in particular for ensuring that neither the specifications provided nor the use of tools or other items delivered by the CUSTOMER violate the rights of any third parties. The CUSTOMER shall release E22 from liability for any and all claims asserted by third parties resulting from such a violation.

8. [Governing law / place of jurisdiction]

The laws of the Federal Republic of Germany including German procedural law shall apply, while private international law shall not apply. The place of jurisdiction for all disputes shall be Hamburg (Germany). Additionally, E22 shall also have the right to bring legal actions against the CUSTOMER in the CUSTOMER's general place of jurisdiction.

9. [Other provisions]

Any agreements contrary to these general terms and conditions must be set out in writing. In the event that any provisions included in these general terms and conditions prove to be invalid or unenforceable or become invalid or unenforceable following the conclusion of the agreement, the validity of the remaining general terms and conditions shall remain unaffected thereby. Invalid and/or unenforceable provisions shall be replaced with valid and enforceable provisions that come as close as possible to fulfilling the intended economic purpose of the original provisions agreed to by the contracting parties.