

1) General

- a) The present general terms and conditions (hereinafter the “**Terms**”) apply to all sales of goods of any kind (hereinafter “**Products**”) by FRANATECH GmbH with its registered offices in Lüneburg, Germany, registered with the commercial register of Lüneburg, Germany, under HRB 204688 (hereinafter the “**Seller**”) to any party (hereinafter the “**Purchaser**” and the Seller and the Purchaser hereinafter jointly the “**Parties**”).
- b) Other terms and conditions than the Terms do not apply unless agreed in writing. The Terms also apply if the Seller delivers Products following a Purchaser’s order which is subject to the Purchaser’s terms and conditions.

2) Validity of the Terms

All quotes and deliveries are subject to the Terms. These Terms are also valid for future contracts.

3) Payment and Prices

- a) All prices are quoted in EUR and do not include value added tax (VAT). Quoted prices include standard packaging but not special packaging. Prices are quoted Ex Works (EXW; INCOTERMS 2010) the Seller’s place of business in Lüneburg, Germany, unless agreed otherwise.
- b) Franatech standard payment terms are 30 days from issue of invoice
- c) In case that payments of the Purchaser are delayed, the Seller is entitled to claim interest on the unpaid amount.
- d) The Purchaser can only set off or claim a right of retention if and to the extent the relevant claim of the Purchaser is undisputed or finally and bindingly recognized.

4) Cancellation

- a) In case of a cancellation within 30 days after issue of Purchase order a cancellation fee of 10 % of contract value will apply
- b) In the event of cancellation at BUYER’s convenience late than 30 days after purchase order, BUYER shall pay the unpaid balance due to SELLER for that part of the WORK already performed and shall cover substantiated costs reasonably incurred by SELLER as a direct consequence of the cancellation.

5) Retention in Title

- a) The Seller reserves title in the Products until the Purchaser has fulfilled all of its payment obligations arising out of the business relationship with the Seller. In case of a breach of contract by the Purchaser, including delay in payment, the Seller is entitled to retrieve the Products. Such retrieval constitutes a withdrawal from the contract by the Seller. After such retrieval, the Seller is entitled to sell or otherwise exploit such Products; the proceeds from such exploitation, minus adequate exploitation costs, are to be credited against the

- b) The Purchaser shall treat the Products with the care of a reasonable businessman. Notably, the Purchaser shall insure the Products at its own costs against fire, water and theft at their purchase price value. If care and maintenance work is necessary, the Purchaser shall perform such work at its own cost in due course.
- c) In case of attachments or other third-party actions with regard to the Products, the Purchaser shall inform the Seller in writing without delay in order to allow the Seller to initiate third-party proceedings. If and to the extent the respective third party is unable to reimburse the Seller's court and out-of-court costs for such third-party proceedings, the Purchaser shall be liable for the Seller's loss.
- d) The Purchaser may resell the Products in the ordinary course of business. However, the Purchaser hereby assigns to the Seller, which accepts such assignment, all claims against its purchasers or other third parties in connection with such sale (including claims for value added tax). Such assignment takes place regardless of whether the Products have been subject to processing before such sale. The Purchaser remains entitled to collect such claims after their assignment. The Seller's right to collect claims remains unaffected. The Seller shall, however, refrain from such collection until such time as (i) the Purchaser fails to meet its payment obligations in connection with received proceeds, (ii) the Purchaser is in default of payment, (iii) an application for insolvency proceedings against the Purchaser has been filed or (iv) the Purchaser has ceased its payments. If one of the latter four alternatives incur, the Purchaser shall, upon the Seller's request, furnish the Seller with all necessary information for collection of such claims, including providing the Seller with all related documents, and inform the debtors of such claims of the assignment.
- e) Any processing or transformation of the Products shall be made for the Seller. If the Products are processed together with other goods which are not property of the Seller, the Seller shall acquire co-ownership pro rata to the value of the Products (final invoice amount including value added tax). The provisions regarding the Products shall apply accordingly to the product which emerges as a result of processing.
- f) If the Products are irrevocably mixed together with other goods which are not the Property of the Seller, the Seller shall acquire co-ownership pro rata to the value of the Products (final invoice amount including value added tax). If mixing leads to the Purchaser's goods becoming the principal product part, the Purchaser hereby transfers partial ownership to the Seller. The Purchaser shall keep the so-acquired partial ownership for the account of the Seller.
- g) The Purchaser also assigns to the Seller all claims against third parties resulting from the Products being bonded with real property.
- h) If and to the extent the realization value of the Seller's collateral exceeds the value of the Seller's secured claims by more than 10%, the Seller shall release such collateral upon the Purchaser's request. The Seller shall be entitled to choose the collateral which it releases.

6) Delivery Obligations of Seller

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- a) Delivery dates are estimated. Delivery dates are binding when they are agreed and definitely clarified as binding.
- b) Deliveries are made Ex Works the Seller's place of business in Lüneburg, Germany (EXW; INCOTERMS 2010).
- c) If deliveries by the Seller are delayed, the Seller is liable under statutory law if the delay is due to an intentional or grossly negligent breach of contract by the Seller. The Seller is liable for faults of its representatives or auxiliary persons. If a delivery delay is caused by a grossly negligent breach of contract by the Seller, the Seller shall only be liable for foreseeable damages which typically incur. The Seller is also liable for deliveries which are caused by a Seller's breach of a material contractual obligation; in this case, the Seller's liability for damages is limited to foreseeable damages which typically incur.
- d) Compensation for damages on a no-fault base of the Seller because of non-fulfillment (direct-, consequential-, incidental damages) or damages because of delays are excluded.

7) Seller's Liability

- a) The Seller shall only be liable for defects in Products if the Purchaser has fulfilled its verification and complaint obligations pursuant to Section 377 of the German Commercial Code (*HGB*).
- b) If and to the extent a Product is defective, the Seller shall, at the Seller's choice, be obligated to cure the relevant defect or to replace the respective Product. The Seller shall bear all costs of such cure or replacement, notably transportation or labor costs and the costs of materials, except if and to the extent such costs increase because the Product(s) have been transported to another place than the Seller's original place of performance. Additionally, the Seller's obligation to bear the costs of such removal or replacement are limited to a maximum amount equal to the purchase price of the relevant Product.
- c) If the above-described cure or replacement fails, the Purchaser shall be entitled to rescind the relevant purchase agreement.
- d) The Seller is liable pursuant to statutory law if the Seller has acted with intent or gross negligence, including intent or gross negligence of the Seller's representatives or auxiliary persons. Except for cases of intent by the Seller, the Seller is only liable for foreseeable damages which typically incur.
- e) The Seller is liable according to statutory law if the Seller is in breach of a material contractual obligation; in this case, the Seller is only liable for foreseeable damages which typically incur.
- f) The Seller's liability for damages to life, body or health remain unaffected. The same applies to liability under the German Product Liability Act (*Produkthaftungsgesetz*).
- g) Unless stated otherwise in the present Clause 6, the Seller's liability is excluded.

- h) Purchaser's claims in connection with defective Products shall be time-barred twelve months after delivery of the relevant Product. The foregoing sentence shall not apply if the relevant Product is usually used for a building or
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structure and if such Product caused such building's or structure's defect. Subclauses d) and f) above remain unaffected by the foregoing two sentences.

- i) Time-barring in case of recourse according to Sections 478, 479 of the German Civil Code (*BGB*) remains unaffected.
- j) The Seller is not responsible or liable for malfunctions because of the Purchaser's or any third party's misuse, neglect, wrong installation, incorrect testing or inaccurate repair of Products. This is also valid for inappropriate handling, shipment or storage and for the assignment of inappropriate labor.

8) Exclusion of Liability

- a) The Seller's liability for damages in excess of the liability provided in Clause 6 above is excluded. This exclusion applies regardless of the legal ground of the damage claim. This exclusion includes claims arising out of fault in contract negotiations (*culpa in contrahendo*), other breaches of obligations or out of property damages pursuant to Section 823 of the German Civil Code.
- b) The exclusion as per sub clause a) above also applies if the Purchaser claims useless expenses instead of damages.
- c) If and to the extent the Seller's liability is excluded, this also applies to the personal liability of the Seller's employees, representatives and auxiliary persons.

9) Proprietary Rights

All product data, designs, construction details, patents, research results and trade secrets of the Seller are and remain proprietary rights of the Seller.

10) Safety Notice

The Purchaser agrees that improper use, operation, installation, maintenance or reparation of the Products can cause serious and dangerous outcomes for the safety at work, environmental integrity and product/process quality. All Products are subject to safety, performance and operating limits. All changes or tampered manipulation made to the Products and devices by the Purchaser, Agents or any third persons who are acting on the Purchaser's behalf, with or without the Purchaser's knowledge, increase the risk of malfunctions and damages.

11) Representation by the Purchaser

The Purchaser agrees that all quotes, system specification, engineering designs, models and other data are correct to the best of the Purchaser's knowledge. The production and delivery by the Seller is based upon given information/specification by the Purchaser. The Purchaser agrees that the Seller is not responsible for any intentional or unintentional error, malfunction, miscalculation or misrepresentation which can harm the performance or capability of the Seller's products caused by incorrect information from the Purchaser.

12) Jurisdiction and Applicable Law

- a) All legal relationships between the Parties shall exclusively be governed by German law, excluding German conflict of laws rules. **The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.**
- b) Any disputes between the Parties arising out of or in connection with the present legal relationship shall be submitted to the exclusive jurisdiction of the courts of Lüneburg, Germany.