

**General Terms of Sale for Skeleton Technologies GmbH**

March 2015

- 1. Scope of Application**  
 All supplies and the services associated with them shall be provided exclusively on the basis of these General Terms of Sale. References made by Buyer to his general terms and conditions are hereby rejected. These General Terms of Sale shall also apply to all future business. Deviation from these General Terms of Sale require the explicit written approval of Skeleton Technologies GmbH (hereinafter "**SkeletonTech**").
- 2. Offer and Acceptance**  
 SkeletonTech's quotations are not binding and shall be valid 30 (thirty) days from the date of quotation. The contract is concluded by Buyer's order (Purchase Order) and by SkeletonTech's acceptance. In case the acceptance differs from the Purchase Order, such acceptance constitutes a new non-binding offer of SkeletonTech.
- 3. Product quality, specimens and samples; guarantees**
  - 3.1** Unless otherwise agreed, the quality of the goods is exclusively determined by SkeletonTech's product specifications. Identified uses under the European Chemicals Regulation REACH relevant for the goods shall neither represent an agreement on the corresponding contractual quality of the goods nor the designated use under this contract.
  - 3.2** The properties of specimens and samples are binding only insofar as they have been explicitly agreed to define the quality of the goods.
  - 3.3** Quality and shelf-life data as well as other data constitute a guarantee only if they have been agreed and designated as such.
- 4. Advice**  
 Any advice rendered by SkeletonTech is given to the best of SkeletonTech's knowledge. Any advice and information with respect to suitability and application of the goods shall not relieve Buyer from undertaking his own investigations and tests.
- 5. Prices**  
 The weight or quantities upon departure shall form the basis for calculation of the sales price. SkeletonTech's prices include packaging (except for packaging, which is supplied by way of lending) plus value-added tax at the statutory rate, if applicable. If SkeletonTech's prices or SkeletonTech's terms of payment are generally altered between the date of contract and dispatch, SkeletonTech may apply the price or the terms of payment in effect on the date of dispatch. In the event of a price increase, Buyer is entitled to withdraw from the contract by giving notice to SkeletonTech within 14 days after notification of the price increase.
- 6. Delivery**  
 Delivery terms shall be Ex-Works Point of Shipment unless agreed otherwise. The Buyer will be invoiced for shipment by SkeletonTech and insurance against damage will be applied, unless agreed otherwise.  
 General Commercial Terms shall be interpreted in accordance with the INCOTERMS in force on the date the contract is concluded, unless specifically agreed otherwise.  
 In case of delay, SkeletonTech shall not be held liable for any damages, loss or penalty.
- 7. Damage in Transit**  
 Acceptance of the goods shall be Ex-Works and risk of loss shall pass to the Buyer upon SkeletonTech's delivery to the carrier. Notice of claims arising out of damage in transit must be lodged by Buyer directly with the carrier within 3 days after delivery in writing and SkeletonTech shall be provided with a copy thereof.
- 8. Compliance with legal requirements**  
 Unless specifically agreed otherwise, Buyer is responsible for compliance with all laws and regulations regarding import, transport, storage and use of the goods.
- 9. Delay in Payment**
  - 9.1** Failure to pay the purchase price by the due date constitutes a fundamental breach of contractual obligations. Unless otherwise agreed, our invoices are due immediately upon receipt and have to be paid within 14 (fourteen) days net.
- 9.2** In the event of a default in payment by Buyer, SkeletonTech is entitled to charge interest on the amount outstanding at the rate of 8 percentage points above the base interest rate announced by the German Federal Bank at the time payment is due if the amount is invoiced in euros, or, if invoiced in any other currency, at the rate of 8 percentage points above the discount rate of the main banking institution of the country of the invoiced currency at the time the payment is due.
- 10. Buyer's rights regarding defective goods**
  - 10.1** SkeletonTech must be notified of any defects that can be discovered during routine inspection immediately upon receipt of the goods; other defects must be notified immediately after discovery within a period of one year after delivery at the latest. Notification must be in writing and must precisely describe the nature and extent of the defects.  
 SkeletonTech shall not be liable in case any modification or repair by Buyer has been attempted or if the goods have been used in any other way than explicitly allowed by SkeletonTech as regular goods operating.  
 SkeletonTech will not be liable for any damages caused by accident on the Buyer's side or any force majeure event.
  - 10.2** If the goods are defective and Buyer has duly notified SkeletonTech in accordance with item 10.1, Buyer has its statutory rights, provided that:
    - a) SkeletonTech has the right to choose whether to remedy the defect or supply Buyer with non-defective replacement goods.
    - b) SkeletonTech may make two attempts according to lit. a) above. Should these fail or cause unreasonable inconvenience to Buyer, Buyer may either withdraw from the contract or demand a reduction in the purchase price.
    - c) with regard to claims for compensation and reimbursement of expenses on a defect, item 11 applies.
  - 10.3** Buyer's claims for defective goods are subject to a period of limitation of one year from receipt of the goods. In the following cases the legal periods of limitation apply instead of the one-year period:
    - a) liability for wilful misconduct,
    - b) fraudulent concealment of a defect,
    - c) claims against SkeletonTech relating to the defectiveness of goods that when applied to goods in the ordinary manner caused it to be defective,
    - d) claims for damage to life, body and health caused by SkeletonTech's negligent breach of duty, or by wilful or negligent breach of duty on the part of SkeletonTech's legal representative or vicarious agent,
    - e) claims for other damage caused by SkeletonTech's grossly negligent breach of duty, or by wilful or grossly negligent breach of duty on the part of SkeletonTech's legal representative or vicarious agent,
    - f) in the event of a Buyer's recourse claim based on consumer goods purchasing regulations.
- 11. Liability**
  - 11.1** SkeletonTech shall be generally liable for damages in accordance with the law under the following restrictions: claims for compensation by the Buyer irrespective on the legal cause, which are based on slight negligence of SkeletonTech and do not concern a fundamental obligation are excluded, if SkeletonTech has not accepted a specific warranty. A fundamental obligation is an obligation whose fulfillment forms the basis for a proper execution of the contract and on whose fulfillment the Buyer has typically relied on and may rely on. In the event of a simple negligent violation of fundamental contractual obligations, however, SkeletonTech's liability shall be limited to compensation for typical, foreseeable losses. In the event of a simple negligent violation of non-fundamental contractual obligations, SkeletonTech shall not be liable. The foregoing limitations on liability do not apply to damage to life, body or health.
  - 11.2** SkeletonTech is not liable to Buyer in case of impossibility or delay in the performance of its supply obligations if the impossibility or the delay is due to orderly compliance of regulatory and legal obligations in connection with the European Chemicals Regulation REACH being triggered by Buyer.

- 12. Set off**  
 Buyer may only set off claims from SkeletonTech against an undisputed or adjudicated counterclaim.
- 13. Security**  
 If there are reasonable doubts as to Buyer's ability to pay, especially if Buyer is in default of payment, SkeletonTech may, subject to further claims, revoke agreed credit periods and make further deliveries dependent on the provision of sufficient security.
- 14. Retention of Title**
- 14.1** Title to the goods delivered shall not pass to Buyer before the purchase price has been paid in full.
- 14.2** At the request of SkeletonTech, Buyer shall provide all necessary information on the inventory of goods owned by SkeletonTech and on the claims assigned to SkeletonTech. Furthermore, at the request of SkeletonTech, Buyer shall identify on the packaging SkeletonTech's title to the goods and shall notify its customers of the assignment of the claims to SkeletonTech.
- 14.3** In the event of late payment by Buyer, SkeletonTech is entitled, without rescinding the sales agreement and without granting a period of grace, to demand the temporary surrender of the goods owned by SkeletonTech at Buyer's expense.
- 14.4** Should the value of the securities exceed SkeletonTech's claims by more than 15%, SkeletonTech waives securities to this extent.
- 15. Force Majeure**  
 To the extent any incident or circumstance beyond the SkeletonTech's control (including natural occurrences, war, strikes, lock-outs, shortages of raw materials and energy, obstruction of transportation, breakdown of manufacturing equipment, fire, explosion, acts of government), reduces the availability of goods from the plant from which the SkeletonTech receives the goods such that SkeletonTech cannot fulfill its obligations under this contract (taking into account on a pro rata basis other supply obligations), SkeletonTech shall (i) be relieved from his obligations under this contract to the extent SkeletonTech is prevented from performing such obligations and (ii) have no obligation to procure goods from other sources. The first sentence does also apply to the extent such incident or circumstance renders the contractual performance commercially useless for SkeletonTech over a long period or occurs with suppliers of SkeletonTech. If the aforementioned occurrences last for a period of more than 3 months, SkeletonTech is entitled to withdraw from the contract without the Buyer having any right to compensation.
- 16. Place of Payment**  
 Regardless of the place of delivery of goods or documents, the place of payment shall be SkeletonTech's place of business or to the bank account of SkeletonTech's designation.
- 17. Communication**  
 Any notice or other communication required to be received by a party is only effective at the moment it reaches this party. If a time limit has to be observed, the notice or other communication has to reach the recipient party within such time limit.
- 18. Data storage**  
 Buyer's data, including personal data that are necessary for business purposes, will be stored, processed and used electronically as far as it is necessary for business purposes and permissible under the German Data Protection Act (§ 28 BDSG). The data will not be passed on to third parties, except for SkeletonTech's service providers, if this is necessary for fulfilling their tasks (e.g. cargo services).  
 According to the German Data Protection Act the Buyer has the right to get information regarding his personal data stored by SkeletonTech. He also has the right to ask for correction, blocking or deletion of his personal data. If the Buyer would like to exercise one of those rights he needs to inform SkeletonTech about his request in writing.
- 19. Intellectual Property**  
 Any reverse engineering, disassembly, copying, decoding is strictly forbidden for any goods sold under this Agreement. If the goods contain any Intellectual Property of SkeletonTech, only a non-exclusive, non-transferable, non-assignable, except for in standard commercial use, license is granted to the Buyer.
- 19. Jurisdiction**  
 Any dispute arising out of or in connection with this contract shall be heard at the court having jurisdiction over SkeletonTech's principal place of business.
- 20. Termination**  
 SkeletonTech shall have the sole discretion to terminate the Agreement and refuse any further shipments in case of insolvency or bankruptcy of Buyer; if Buyer has failed to submit Payment in 30 days; if Buyer breaches this Agreement.
- 21. Applicable law**  
 The contractual relationship shall be governed by the law applicable at the place of SkeletonTech's head office with exclusion of all international and supranational (contractual) legal systems, especially of the Law on Sales of the UN. Prerequisites and effects of the reservation of title according to Nr. 14 shall be subject to the law of the respective location of the subject-matter as far as the choice of German jurisdiction is inadmissible and invalid.
- 22. Contract Language**  
 If these General Terms of Sale are made known to Buyer in another language, in addition to the language in which the sales contract has been concluded (Contract Language), this is merely done for Buyer's convenience. In case of differences of interpretation, the version in the Contract Language shall be binding.