

General Terms and Conditions of BAG electronics GmbH

I. Scope of Application

- The following terms and conditions are applicable to all transactions with BAG electronics GmbH, i.e. all contracts, deliveries or other services. These terms and conditions shall be deemed to be incorporated into future business relationships, even if no express reference is made to the same.
- Any deviations from these terms and conditions shall only become an integral part of any contract if such deviations constitute the subject matter of a separate express agreement in writing entered into between BAG electronics GmbH (herein referred to as "BAG electronics") and the Purchaser.
- The Purchaser's general terms and conditions are herewith rejected. They shall only be deemed to have been agreed if BAG electronics have expressly consented to the same in writing.

II. Regulations in the Country of Destination and Safety Devices

- The Purchaser shall bring the attention of BAG electronics, at the latest when ordering, to the regulations and standards in respect of the execution of the delivery, the operation, and to the prevention of disease and accidents in the country of consignment.
- All products supplied by BAG electronics are manufactured on the basis of the relevant testing regulations. The certification marks awarded for the respective product are endorsed in the catalogues, on the product itself, and in the instructions for use.

III. Subject Matter of Contract / Prices

- The written order confirmation issued by BAG electronics constitutes the basis of the contract and is decisive for the content and scope of supply and performance.
- The compliance of the written order confirmation is also applicable to orders to our commercial agents and / or field representatives.
- All subsidiary agreements, supplements, etc. must be in written form to become operative.
- All technical data in the catalogues and other sales literature, lists and drawings as well as weights and dimensional details issued by BAG electronics have been drawn up with all due diligence. The right is reserved to carry out subsequent corrections in the case of obvious errors.
- The price lists applicable at the time of entering into the contract constitute the basis for price calculations. Value Added Tax at the respective statutory rate is to be added to all prices.
- All prices are quoted ex works and do not include packaging and insurance.
- Prices are agreed in Euro. If any other currency is applied, the exchange rate into Euro is to be stated for all transactions. The specification of the currency is compulsory for all transactions.
- If no fixed price has been expressly agreed, the prices shall remain binding until the delivery date stated in the order confirmation. If no such delivery date has been agreed, BAG electronics shall be bound to the agreed prices for a period of four months from the date of the order confirmation. BAG electronics shall thereafter be entitled to effect reasonable price increases in the event of costs rising subsequent to the order confirmation, provided they are not already in default of delivery.
- In the event of any alterations in the exchange rate to the Euro of more than 3% on the date of payment (in comparison to the exchange rate on the date of the order confirmation) BAG electronics are entitled to effect an adjustment of prices prior to expiry of the four months. This shall not apply in the event of a default in delivery for which BAG electronics are to blame.

IV. Delivery Dates / Default of Delivery

- The observance of delivery dates is conditional on the timely receipt of all necessary details to be communicated by the Purchaser, the provision of documents, the required permits (including any necessary import licences) and approvals, in particular of plans, and on the agreed terms of payment being observed including the punctual payment of any deposits separately agreed in individual cases, the punctual issue of letters of credit, and the discharge of any other obligations on the part of the Purchaser. If these preconditions are not promptly fulfilled, the delivery dates shall be extended adequately provided BAG electronics is not answerable for such a delay.
- Transactions at a fixed date (fixed date deliveries) require express written confirmation.
- If the non-observance of delivery periods is due to Force Majeure, e.g. Acts of God, mobilisation, war, riot, or similar occurrences, e.g. accidents, strike, lock-outs, substantial breakdowns, administrative measures, or omissions, etc., the prescribed periods shall be extended adequately.
- Such an adequate extension of delivery periods shall also be admitted in the event of unpunctual internal delivery on the part of BAG electronics, including delayed or incorrect delivery of the required raw materials, semi-finished or finished products.
- The delivery period shall be deemed to have been observed if the operable goods have been dispatched, or notice of readiness for dispatch has been issued, respectively, within the agreed delivery period.
- If the delivery date or delivery period, respectively, is not observed on the part of BAG electronics, the Purchaser is obligated to set BAG electronics a reasonable subsequent delivery period in writing. Should BAG electronics culpably not deliver within this set subsequent delivery period, the Purchaser is entitled to withdraw from the contract.
- Insofar as BAG electronics are answerable for the non-observance of bindingly accepted dates, the Purchaser may, upon fruitless expiry of the subsequent delivery period set by him - provided he substantiates that he has suffered damages - demand compensation for each complete week of the delay amounting to 0.5% respectively, however not exceeding a total of 5% of the price of the supplies or services affected by the delay. This limitation of liability shall not be applicable if intent or gross negligence are held against BAG electronics or they are compulsorily liable due to any fatal or physical injury or health hazard.
- The Purchaser is obligated, at the request of BAG electronics, to declare within a reasonable period whether he intends to withdraw from the contract and / or to demand compensation instead of performance and / or to insist on the delivery.
- If, at the Purchaser's request, the delivery, the dispatch or the consignment is delayed beyond the date provided for in the contract, BAG electronics may not invoice the Purchaser with storage charges until ten working days following notice of readiness for dispatch at the earliest, which storage charges shall amount to 0.5% of the invoiced sum for any month or part of a month, shall however not exceed 5%. The contracting parties are at liberty to provide evidence of higher or lower storage costs.

V. Terms of Delivery

- BAG electronics are entitled to effect partial shipment on a reasonable scale.
- Customary increased or short deliveries of up to 10% of the ordered quantity are admissible unless a variance in the contract quantities would in individual cases be unreasonable for the Purchaser.
- Variances in respect of the weight, the technical execution, the manufacture and the amount of the goods to be supplied are admissible within the tolerance limits customary in trade.
- The Purchaser additionally consents to all deviating modifications in the execution and equipment of the delivery items within the scope of technical progress entailing a technical advancement of the goods.

VI. Packaging, Shipment, Passing of Risk

- BAG electronics shall select the type of packaging and shipment at their own discretion.
- Unless otherwise expressly agreed to the contrary, transportation costs shall be charged to the Purchaser and shall be reimbursed to BAG electronics if this outlay has been paid by them.
- The risk of accidental loss and / or damage shall pass to the Purchaser upon dispatch, or upon handing over to the person carrying out the transportation, respectively.
- This is also applicable in the event that BAG electronics carry out the transportation themselves, or have it carried out by their vicarious agents, respectively.
- Moreover, all risk passes to the Purchaser once he is in default of acceptance following receipt of notice of readiness for shipment from BAG electronics.
- BAG electronics are entitled, but not obligated, to take out separate insurance to cover the customary risks (damage caused by breakage, transport and fire) on behalf of and to the account of the Purchaser.
- If any goods are returned for reasons for which BAG electronics are not answerable, the Purchaser shall bear all risk until the goods have arrived at BAG electronics.

VII. Terms of Payment

- The invoices from BAG electronics are payable within 30 days upon their issue (according to date of invoice), without deduction. The payment shall be deemed to have been effected once BAG electronics can avail of the amount. Should the Purchaser not pay within the payment period, i.e. within 30 days of the date of invoice, he shall be in default without any reminder.
- If the time of receiving the invoice or statement of account or the delivery of the same is uncertain, payment shall become due at the latest 30 days after receipt of the consideration. Default is consequently from the 31st day following receipt of the

consideration at the latest.

- If the Purchaser defaults, BAG electronics may demand from a Purchaser, who is not the consumer, interest on arrears amounting to 8% p.a. above the respective basic rate of interest according to § 247 BGB (German Civil Code). The Purchaser cannot raise the objection that BAG electronics only incurred a lower or no loss of interest at all. Any right to assert further claims for damages shall not be affected by this.
- BAG electronics is not obliged to accept drafts. These shall only be accepted in individual cases in fulfillment of special agreements. The payment shall not be deemed to have been effected until the cheque or draft has been honoured. The discount and collection charges for the draft shall be at the expense of the issuer of the draft at maturity of the claim and are immediately payable in cash.
- Independent of any payment agreements entered into separately in individual cases, payments due to BAG electronics shall become immediately payable if circumstances occur in respect of the Purchaser's party that make it unreasonable to adhere to payment agreements entered into. This is the case if there is substantiated evidence of a significant deterioration of the financial position of the Purchaser, in particular upon suspension of payments, cheque and draft protests or default of payment, if it is apparent from this that the claim of BAG electronics to the consideration is endangered as a result of the Purchaser's lack of ability to pay.
- In this event, BAG electronics is additionally entitled to return any cheques or rediscountable drafts accepted in fulfillment.
- BAG electronics are furthermore entitled in such a case to demand matching payment with delivery or the surrender of additional securities. Above and beyond this they are entitled to determine a reasonable term within which the Purchaser, at the option of BAG electronics, is to simultaneously execute consideration or provide security in exchange for performance. BAG electronics may recede from the contract upon futile expiry of the said term.
- Within the scope of the warranty for defects the Purchaser may only withhold payment after making a justifiable notice of defects to an extent that is in due proportion to the incurred defect of quality. Any lien on goods on the part of the Purchaser is otherwise excluded.
- The Purchaser only has the right to offset claims with uncontested or legally enforceable counterclaims.

VIII. Reservation of Title

- The goods supplied (goods subject to reservation) remain the property of BAG electronics until all claims on the part of BAG electronics against the Purchaser arising from the business relationship have been met.
- BAG electronics are entitled - with the cooperation of the Purchaser to have the reservation of title entered in an appropriate register, to the extent provided for by the laws of the recipient country.
- In the absence of a provision comparable with reservation of title in the Purchaser's country, BAG electronics may require a bank guarantee to the amount of the order concerned.
- The Purchaser is not permitted to pledge or transfer ownership by way of security for the duration of the reservation of title. In the event of any pledge, seizure or other disposition or intervention by third parties, the Purchaser shall immediately notify BAG electronics of the same.
- In the event that the Purchaser resells the unpaid goods to a third party, the goods shall remain the property of BAG electronics until they have been paid for in full. The Purchaser is obliged to notify the said third party of this situation (extended reservation of ownership).
- A sale in the ordinary course of business is not constituted if the goods subject to reservation are pledged or transferred by way of security to a third party, or made the object of factoring by the Purchaser, in violation of Sub-clause 4.
- In the event of goods subject to reservation being processed or treated, this shall be effected for and on behalf of BAG electronics as the manufacturer within the sense of §§ 950 pp. BGB (German Civil Code). In this case BAG electronics is lawfully entitled to (joint) ownership of the articles emerging from the processing or treatment of the goods subject to reservation in the proportion of the goods subject to reservation to the value of the new article at the time of the said processing or treatment. BAG electronics are likewise entitled to a proportional co-ownership in the new article whenever goods belonging to third parties are processed together with the goods subject to reservation. If the Purchaser sells the article newly manufactured by him to another party, he herewith preventively assigns the claim due to him arising from that sale to the amount of the value of the goods subject to reservation.
- The Purchaser shall immediately notify BAG electronics if the goods subject to reservation are damaged or otherwise impaired. Any claims against third parties arising from the damage or impairment in favour of the Purchaser are herewith preventively assigned to BAG electronics.
- Insofar as the value of all security interests to which BAG electronics is entitled exceeds the amount of all claims covered by security by more than 20 %, BAG electronics shall, if requested by the Purchaser, release a corresponding portion of the security interests.
- Should the Purchaser neglect any of his duties, in particular in the case of default of payment, BAG electronics are entitled to cancel the contract and to take back the goods subject to reservation. The Purchaser is obligated to surrender the same. The taking back of the goods subject to reservation, or the enforcement of the reservation of title alone does not require the withdrawal on the part of BAG electronics and is not to be deemed as an implied declaration of cancellation of the contract unless BAG electronics explicitly declare that these acts are to be understood as a cancellation.

IX. Acceptance and Initial Operation

- The Purchaser is not permitted to refuse to accept deliveries due to immaterial faults.
- For the initial operation of products made by BAG electronics, it is essential to observe the wiring diagrams in the catalogues, instruction manuals and also attached to the products themselves as well as the standards and regulations for mounting and dismounting applicable in the respective countries.

X. Warranty

- No warranty claims shall exist in the event of only immaterial deviation from the agreed condition and only insignificant impairment of the serviceability.
- Furthermore no warranty claims shall exist in the case of fair wear and tear or by damage arising subsequent to the passing of risk as a result of incorrect or negligent handling, excessive stress, fair wear and tear within the normal extent, unsuitable operating materials, faulty installation work, unsuitable working materials, non-observance of operating instructions, inadequate maintenance, or that occur as a result of particular external (e.g. chemical or electrolytic) influences that are not presupposed according to the contract.
- If any improper alterations or repair work is carried out by the Purchaser or by third parties, neither these nor any consequences of the same shall constitute a warranty claim.
- The Purchaser shall promptly examine the goods dispatched to him to ensure their proper condition and shall notify BAG electronics in writing of any apparent defects within a period of five working days following receipt of the goods. This term is applicable to concealed defects once they have been discovered.
- In the event of a substantiated notice of defects, i.e. upon occurrence of quality defects which, or the cause of which, already existed at the time of the passing of risk, BAG electronics are entitled, at their option, to provide subsequent improvement (removal of defects) or delivery (replacement).
- If BAG electronics supplies a faultless item for the purpose of subsequent performance, the Purchaser shall surrender the defective article. This is correspondingly applicable to defective components if these are replaced by faultless components within the scope of subsequent improvement.
- If BAG electronics are not able to provide subsequent improvement or delivery, or if they are entitled to refuse such subsequent improvement or

delivery in accordance with § 439 Abs. (3) BGB (German Civil Code), or should a delay, for which BAG electronics are answerable, occur in any subsequent improvement or delivery in excess of a reasonable term, or if such subsequent improvement or delivery is unsuccessful twice, the Purchaser is entitled, at his option, to withdraw from the contract or to demand an appropriate abatement of the purchase price.

8. The Purchaser shall only have the statutory right to recourse in respect of BAG electronics to the extent that legal requirements (e.g. for the sale of consumer goods) are fulfilled. Consequently there is no right to recourse if the Purchaser has entered into any agreements with his customers over and above the statutory warranty claims within the scope of a guarantee or by way of fair dealing.

9. A warranty term of one year shall apply insofar as the statutory provisions concerning the sale of consumer goods are not applicable, in particular with regard to liability upon recourse (in the absence of statutory provisions). Legally compulsory longer terms remain unaffected.

10. This shall not affect the legal consequences of any violation of the commercial duty to examine goods and the obligation to give notice of defects (according to § 377 and § 378 HGB (German Uniform Commercial Code)).

11. Clause XI shall otherwise apply to any claims for damages. Claims are excluded that are more extensive or different from those in this sub-clause and clause XI raised on the part of the Purchaser against BAG electronics and their vicarious agents due to a defect of quality.

XI. Compensation / Liability

- Claims for compensation on the part of the Purchaser are excluded, irrelevant of the legal grounds, in particular due to any breach of obligations arising from the contractual obligations and from tortious acts, unless there is compulsory liability in accordance with product liability laws, in cases of liability for intentional or grossly negligent conduct, due to fatal or physical injury or health hazard, or due to the infringement of essential contractual obligations.
- Claims for compensation in respect of the violation of essential contractual obligations shall, however, be limited to predictable damages typical for the contract, unless a limitation is excluded for other reasons due to intentional or grossly negligent conduct, or due to fatal or physical injury or health hazard.
- In the event that the Purchaser's customer, or his customer, justifiably claims against him for subsequent performance, he shall give BAG electronics the opportunity to carry out such subsequent performance themselves within a reasonable term before procuring their "compensatory" goods. The Purchaser shall impose this obligation on his customer accordingly. In the event that the Purchaser violates these obligations, BAG electronics reserves the right to reduce compensation to an amount they would have incurred by carrying out subsequent performance themselves. This shall not affect § 444 BGB (German Civil Code).
- Compensation for expenses associated with such subsequent performance on the part of the Purchaser in respect of his customer are furthermore excluded if the Purchaser, contrary to his duty to limit damages, has not made use of his right to refuse this kind of subsequent performance, or both kinds of subsequent performance, because of the disproportion of costs.
- Claims on the part of the Purchaser in respect of expenses necessary to effect subsequent performance, in particular transport, travelling, labour and material costs, are excluded if the expenses increase due to the fact that the object of supply has subsequently been transferred to a different place than the Purchaser's location, unless such a transfer corresponds with its designated use. This is applicable to recourse liability accordingly.
- The statutes of limitation binding on these claims are applicable to any claims for damages and compensation in conjunction with the defectiveness of the goods (cod. X. 9.).

XII. Return Consignments

- Any consignments of faultless goods returned require the prior written consent of BAG electronics. Reconsignments shall only be accepted within 90 days of the date of shipment in their original packaging.
- Special equipment, goods that are not in their original packaging, and products that are not (or are no longer) included in the current product catalogue of BAG electronics at the time of returning the same are generally excluded from reconsignment.
- The reconsignment note must contain the exact description of the goods as well as the date and number of the relevant (purchase) invoice or of the delivery note.
- The reconsignment to which BAG electronics have given their prior consent is to be shipped to BAG electronics in Arnsberg at the expense of the Purchaser.
- Even in the case of authorised reconsignment, BAG electronics shall only accept the returned goods against credit note for the value of the goods, less processing costs. These costs are evaluated at a lump-sum of 20% of the net value of the goods, but shall amount to at least Euro 50,000.

XIII. Miscellaneous

- BAG electronics reserve all property rights, copyrights and exploitation rights to quotations, drawings and other records (herein referred to as "Documents") without limitation. The Documents shall only be made accessible to third parties with the prior consent of BAG electronics and are to be returned immediately on request if the contract is not awarded to BAG electronics. Sentences 1 and 2 above apply to the Purchaser's documents accordingly, although these may be made accessible to such other persons to whom BAG electronics have legitimately assigned the deliveries.
- The legal relations in conjunction with this contract are governed by German substantive law and exclude the United Nations Convention on Contracts for the International Sale of Goods.
- The sole legal venue for all disputes arising directly or indirectly from the contractual relationship shall be the registered office of BAG electronics GmbH, Arnsberg.
- If any provision in these Terms and Conditions or any provision in other agreements be or become ineffective, this shall not affect the effectiveness of all the remaining provisions or agreements.