

## General Terms and Conditions of Assmy & Böttger Electronic GmbH (as at January 2019)

### Terms and Conditions of Sale and Delivery

#### 1. General

- 1.1. The following terms and Conditions of Delivery and Payment are recognized as binding for our company's business transactions with its contractual partners/customers. However, general terms and conditions of the customer shall only apply insofar as the supplier or service provider (hereinafter: supplier) has expressly agreed to them in writing. Silence on our part shall not be deemed consent.
- 1.2. The Supplier reserves its property and copyright exploitation rights to cost estimates, drawings and other documents (hereinafter: documents) without restriction. The documents may only be made accessible to third parties with the prior consent of the supplier and must be returned to the supplier immediately upon request if the order is not placed with. Sentences 1 and 2 shall apply accordingly to documents of the Purchaser, but these may be made accessible to third parties to whom the Supplier has permissibly transferred deliveries.
- 1.3. Partial deliveries are permissible insofar as they are reasonable for the purchaser.

#### 2. Prices and terms of payment

- 2.1. The final prices quoted are ex works of the contractor or seller plus the applicable statutory value added tax.
- 2.2. Our invoices for contract manufacturing orders are payable net cash immediately upon receipt of the invoice. Other terms of payment and the deduction of discounts are only permitted if agreed in writing.
- 2.3. Invoices that do not relate to production orders are payable within 30 days of the invoice date at. However, we may make delivery dependent on immediate payment. We reserve the right to make cash on delivery deliveries, particularly in the case of first-time deliveries to.
- 2.4. Partial payments for sales are only possible if they have been agreed in writing in advance. In such cases, the entire remaining debt shall become due immediately if the customer defaults on at least two consecutive installments in whole or in part.
- 2.5. Agreements deviating from these standard terms and conditions shall be set out by us in the order confirmation.
- 2.6. The date of payment shall be the date of receipt of payment in our accounts.
- 2.7. If the customer defaults on his payment obligations, he must pay the contractor or seller the damage incurred, at least in the amount of the statutory interest.
- 2.8. If the buyer is in default of payment, we are entitled to charge bank interest including overdraft interest as well as the costs of the dunning procedure. In order to comply with the insurance conditions of the credit default insurance taken out by us at, we shall also block the buyer's account in the event of default of payment with the third reminder and only deliver further goods against advance payment or cash on delivery.

If a reminder to the customer remains unsuccessful or if circumstances become known which call into question the creditworthiness of the customer, in particular if a check is not paid or if bankruptcy or a petition for composition is filed, all other claims not initially due shall also become due immediately.

- 2.9. We reserve the right to decide on the acceptance of bills of exchange or checks on a case-by-case basis. They shall only be accepted on account of payment. We charge the usual discount and collection charges for bills of exchange. We do not guarantee timely collection or timely protest.  
In the event that a bill of exchange or check is not honored on time or circumstances arise which, in our opinion, no longer justify the granting of a target, we can make the total claim due immediately - even if bills of exchange or checks have been given for this purpose.

- 2.10. Only persons who can produce a power of attorney for collection issued by us are authorized to accept payments.

### 3. Costs for orders not carried out

The customer shall be invoiced for the costs incurred and to be documented (troubleshooting time = working time) if the order cannot be carried out because

- the fault complained of did not occur during the inspection;
- a required spare part can no longer be procured without the contractor being responsible for this circumstance;
- the customer culpably misses the agreed deadline;
- the order was withdrawn during execution.

### 4. Transfer of risk and warranty

- 4.1. The risk shall pass to the Purchaser as follows, even in the case of carriage paid delivery:  
in the case of deliveries, when they have been dispatched or collected. At the request and expense of the Purchaser, deliveries shall be insured by the Supplier against the usual transportation risks.
- 4.2. If dispatch, delivery, commencement, acceptance in the Purchaser's own works or trial operation is delayed for reasons for which the Purchaser is responsible or if the Purchaser is in default of acceptance for other reasons, the risk shall pass to the Purchaser.

### 5. Delivery terms and deadlines for deliveries

- 5.1. Our offers are subject to change. An order placed with us shall only become binding if we confirm it in writing without reservation. Subsidiary agreements shall only be effective if confirmed in writing at.
- 5.2. Compliance with agreed delivery deadlines is subject to the timely receipt of all documents to be supplied by the customer, necessary approvals and releases, in particular of plans, as well as compliance with the agreed terms of payment and other obligations by the customer. If these requirements are not met in good time, the deadlines shall be extended accordingly; this shall not apply if the Supplier is responsible for the delay.
- 5.3. The delivery deadline shall be deemed to have been met: In the case of delivery without installation or assembly, if the consignment has been dispatched or collected within the agreed delivery and performance period. If the delivery is delayed for reasons for which the customer is responsible, the deadline shall be deemed to have been met upon notification of readiness for dispatch within the agreed deadline.
- 5.4. If we are in default with the delivery for which a binding deadline has been agreed, we must be granted a grace period of at least 14 days. The contractual partner shall only be entitled to claim damages if he can specifically prove that damage has been incurred and to what amount and if we or our vicarious agents are guilty of gross negligence or intent.

- 5.5. If non-compliance with the deadline for deliveries or services is due to force majeure, e.g. mobilization, natural disaster, riot, or similar events, e.g. strike, lockout, the deadline shall be extended accordingly.

## 6. Retention of title

- 6.1. The objects of the deliveries (goods subject to retention of title) shall remain the property of the Supplier until all claims to which the Supplier is entitled against the Customer arising from the business relationship have been fulfilled.
- 6.2. During the existence of the retention of title, the Purchaser is prohibited from pledging or transferring ownership by way of security and resale is only permitted to resellers in the ordinary course of business and only on condition that the reseller receives payment from his customer or only hands over the goods to the customer when the customer has fulfilled his payment obligations.
- 6.3. In the event of imminent insolvency, seizure or other dispositions or interventions by third parties, the Purchaser must notify the Supplier immediately.
- 6.4. In the event of culpable breach of material contractual obligations by the Customer, in particular in the event of default in payment, the Supplier shall be entitled to take back the goods after issuing a reminder and the Customer shall be obliged to surrender them. For this purpose, the Customer shall grant our employees access to its business premises. The taking back or assertion of the retention of title or the seizure of the reserved goods by the supplier shall not constitute a withdrawal from the contract, unless the supplier has expressly declared this.
- 6.5. Further conditions are agreed in the supplementary clause.

## 7. Warranty and liability

The supplier shall be liable for defects, including the absence of warranted characteristics, as follows:

- 7.1. All parts or services whose usability is impaired to a more than insignificant extent within 6 months - irrespective of the operating time - from the date of the transfer of risk as a result of a circumstance occurring prior to the transfer of risk, in particular due to faulty design, poor material or defective workmanship, shall, at the Supplier's discretion, be repaired, replaced or provided again free of charge.
- 7.2. The customer must notify the supplier in writing of obvious defects in the supplier's services without delay, at the latest ten days after they become apparent upon acceptance or commissioning, otherwise the supplier shall be released from liability for defects.
- 7.3. The warranty claim shall lapse if changes are made to the services without the consent of the Supplier.
- 7.4. The Supplier shall be granted a reasonable period of time and opportunity to rectify defects. In particular, the Buyer shall ensure that the defective item is available to the Supplier or its authorized representative for inspection and rectification. If he refuses to do so, we shall be released from liability for defects.
- 7.5. The liability for defects does not apply to natural wear and tear or damage arising after the transfer of risk as a result of incorrect or negligent handling, damage caused by force majeure, excessive strain, unsuitable operating materials, defective construction work, unsuitable building ground and such chemical, electrochemical or electrical influences that are not provided for in the contract.
- 7.6. If the customer or third parties carry out improper modifications or repair work (incorrect connection or operation), there is no warranty for these and the resulting consequences.

- 7.7. The warranty period for repairs, replacement deliveries or replacement services shall be 12 months; it shall run at least until the expiry of the original warranty period for the delivery item. It shall be extended for those parts that cannot be operated for their intended purpose due to the interruption by the duration of the interruption of operations caused by the repair, replacement delivery or replacement service.

8. **Acceptance**

Deliveries, even if they have insignificant defects, are to be accepted by the customer.

9. **Binding nature of the contract**

The contract shall remain binding in its remaining parts even if individual points are legally invalid. This shall not apply if adherence to the contract would represent an unreasonable hardship for one of the parties.

10. **Place of jurisdiction**

The place of jurisdiction for all obligations arising from our company's business dealings with its contractual partners/customers and for all connections relating to business dealings is Oldenburg (Lower Saxony). The contractual relationships shall be governed by German law.

**Supplementary clause: Extended retention of title**

Supplementary clause: Extended retention of title

The following simple and extended retention of title is agreed for "General Terms and Conditions of Delivery for Products and Services of the Electrical Industry" in amendment of Article III (Retention of title) of the General Terms and Conditions of Delivery for Products and Services of the Electrical Industry:

1. The items of the deliveries (goods subject to retention of title) shall remain the property of the Supplier until all claims to which it is entitled against the Purchaser arising from the business relationship have been fulfilled. If the value of all security interests to which the Supplier is entitled exceeds the amount of all secured claims by more than 20%, the Supplier shall release a corresponding part of the security interests at the request of the Purchaser.
2. During the existence of the retention of title, the purchaser is prohibited from pledging or transferring ownership by way of security and resale is only permitted to resellers in the ordinary course of business and only on condition that the reseller receives payment from his customer or makes the reservation that ownership is only transferred to the customer when the customer has fulfilled his payment obligations in full.
3.
  - a) If the purchaser resells goods subject to retention of title, he hereby assigns to the supplier his future claims from the resale against his customers with all ancillary rights - including any balance claims - by way of security, without the need for any subsequent special declarations. If the goods subject to retention of title are resold together with other items without an individual price having been agreed for the goods subject to retention of title, the Purchaser shall assign to the Supplier, with priority over the remaining claim, that part of the total price claim which corresponds to the price of the goods subject to retention of title invoiced by the Supplier.
  - b) If a legitimate interest is substantiated, the Purchaser shall provide the Supplier with the information required to assert its rights against the customer and hand over the necessary documents.

- c) Until revoked, the Purchaser shall be entitled to collect the assigned claims from the suspension of payments, opening of insolvency proceedings, protest of a bill of exchange or if there are comparable justified indications that suggest the Purchaser's inability to pay, the Supplier shall be entitled to revoke the Purchaser's authorization to collect. In addition, the Supplier may, after prior warning of the disclosure of the assignment by way of security or the realization of the assigned claims, disclose the assignment by way of security, realize the assigned claims and demand the disclosure of the assignment by way of security by the Purchaser to the Customer within a reasonable period of time.
4. a) The purchaser is permitted to process, transform or combine the reserved goods with other items. The processing, transformation or combination shall be carried out for the supplier. The Purchaser shall store the new items for the Supplier with the due care of a prudent businessman. The processed, transformed or combined item shall be deemed to be reserved goods.
- b) In the event of processing, transformation or combination with other items not belonging to the Supplier, the Supplier shall be entitled to co-ownership of the new item in the amount of the share resulting from the ratio of the value of the processed, transformed or combined reserved goods to the value of the other processed goods at the time of processing, transformation or combination. If the Purchaser acquires sole ownership of the new item, the Supplier and the Purchaser agree that the Purchaser shall grant the Supplier co-ownership of the new item created by processing, transformation or combination in the ratio of the value of the processed, transformed or combined goods subject to retention of title to the other processed, transformed or combined goods at the time of processing, transformation or combination.
- c) In the event of the sale of the new item, the Purchaser hereby assigns to the Supplier its claim from the resale against the customer with all ancillary rights by way of security, without the need for any further special declarations. However, the assignment shall only apply to the amount corresponding to the value invoiced by the Supplier for the processed, transformed or combined goods subject to retention of title. The portion of the claim assigned to the supplier shall be satisfied with priority. With regard to the collection authorization and the conditions for its revocation, number 3. c) shall apply accordingly.
- d) If the goods subject to retention of title are combined by the customer with real estate or movable property, he shall also assign to the supplier by way of security, without the need for further special declarations, his claim to which he is entitled as remuneration for the combination, together with all ancillary rights, in the ratio of the value of the combined goods subject to retention of title to the other combined goods at the time of combination.
5. In the event of seizure, confiscation or other dispositions or interventions by third parties, the purchaser must notify the supplier immediately.
6. In the event of culpable breach of essential contractual obligations by the customer, in particular in the event of default in payment, the supplier shall be entitled to take back the goods after issuing a reminder. The Purchaser shall be obliged to surrender the goods. The taking back or assertion of the retention of title or the seizure of the delivery item by the Supplier shall not constitute a withdrawal from the contract, unless the Supplier has expressly declared this. After prior warning, the supplier shall be entitled to utilize the goods subject to retention of title taken back and to satisfy its claims from the proceeds thereof, taking into account the outstanding claims.