

General Terms and Conditions of Sale of CeoTronics AG

Section 1 Application

- 1.1 These General Terms and Conditions of Sale (GTC) apply to all offers and contracts of CeoTronics AG (hereinafter: the supplier), including any ancillary services, consultations and information which the supplier provides or concludes on behalf of the seller/contractor.
- 1.2 These GTC apply exclusively to offers as well as all contracts entered into by the supplier on behalf of the seller/contractor. Once an order is placed by the buyer/contractee (hereinafter: the client) these GTC are at the same time considered as accepted and as an integral part of the contract. Any conflicting or deviating conditions put forward by the client are hereby opposed. They will only become part of the contract if the supplier expressly agrees to them in individual cases.
- 1.3 These GTC also apply if the supplier carries out the delivery to the customer without reservation or provides services for the client despite having knowledge of conflicting client conditions or client conditions deviating from these GTC.
- 1.4 These GTC only apply to entrepreneurs (Section 14 of the German Civil Code (BGB)), to legal persons under the public law or to a special fund under public law according to Section 310 Subsection 1 Sentence 1 of the German Civil Code (BGB).
- 1.5 These GTC also apply to all future contracts with the client, into which the supplier enters on behalf of the seller/contractor.
- 1.6 Any agreements between the supplier and the client as well as additions and changes to these agreements have to be made in writing. This also applies to a waiver to the requirement of a written form.
- 1.7 (Field sales force) employees and sales agents of the supplier are not authorised to make agreements or to give approvals which deviate from these GTC. Legally effective individual agreements concluded by employees of the supplier authorised to represent the supplier are required for this purpose.

Section 2 Offers, offer documents, information and consultation

- 2.1 Offers will always be made without obligation. Offers will only be binding exceptionally and in individual cases if they have been given in the written form and have been expressly declared as binding.
- 2.2 The supplier is only bound to binding offers if the contract has been concluded up to the date indicated in the offer, but at the latest two weeks after the client has received the offer.
- 2.3 Samples and patterns are not binding. Designs may be changed by the supplier insofar as this is consistent with the client specifications or if the deviation is only minor.
- 2.4 All data regarding suitability and scope of goods/services will be made to the best of one's knowledge. However, they only represent empirical values which are not considered as guaranteed; they do not substantiate any claims against the supplier. The client will still have to satisfy itself by inspecting for itself the suitability of the goods/services for the intended purpose of use.
- 2.5 The client agrees to the further use and reproduction by the supplier of the drawings, plans, models, templates, samples, tools, manufacturing means, measures, weights and other performance data which the supplier received from the client and - insofar as required for the order - also agrees to their transfer to third parties. The client must immediately inform the supplier if the values specified by the client should change.

Section 3 Place of delivery, shipping charges, packaging

- 3.1 All deliveries will be carried out Ex-Works Rödermark unless specifically agreed otherwise.
- 3.2 The shipping will be carried out at the client's own risk even if the supplier should in exceptional cases pay for the shipping charges. With the delivery of the goods/services to the carrier, at the latest when leaving the factory

or warehouse of the supplier, with drop shipments of the factory or warehouse of the presupplier, the risk is transferred to the client also regarding postage-free, FOB- or CIF-transactions.

- 3.3 The shipping charges of the appropriate transportation means usually used by the supplier will be borne by the client. The client is entitled to choose a transportation means different to the one intended by the supplier if it undertakes to pay any extra costs.
- 3.4 The shipping will be carried out in reasonably priced packaging required for the delivery.
- 3.5 Should the supplier take out a shipping insurance, the client will bear the costs for this.
- 3.6 Any packaging provided will only be taken back by the supplier within the scope of its legal obligations; for deliveries abroad the packaging will not be taken back. Taking back the packaging does not include the return delivery and the costs thereof. If the client is not a private end user according to the packaging regulations, the client will be charged for the disposal of the packaging at cost price. Insofar as the packaging has not been returned, a participation in and the taking over of the disposal costs by the supplier is excluded.
- 3.7 The client is obliged to inspect delivered goods/services immediately after their handover for obvious losses, defects or damage due to transport, to determine complaints according to the conditions of the carrier in the presence of the driver, to document these and to indicate them to the supplier on the day of receipt of the goods/services. Hidden losses, defects or damage due to transport must be indicated within at least three calendar days after handover of our goods/services. Should the client fail to report these in due time, then the goods/services will be considered as approved with respect to any losses, defects or damage due to transport. The client must always carry out the required formalities with respect to the carrier. In all remaining cases, Section 438 of the German Commercial Code (HGB) applies.
- 3.8 The obligations arising from Section 4.3 also apply to the client if the delivery/service is made to a third party at the client's request.

Section 4 Delivery

- 4.1 Delivery or service dates are non-binding, unless otherwise agreed, are subject to the correct and punctual delivery of our own suppliers and will only commence after clarification of all the fulfilment details, in particular by the client, at the earliest, however, on the date of the order confirmation by the supplier and payment of all due partial and advance payments.
- 4.2 Insofar as delivery or service dates shall exceptionally be agreed to be binding, the following shall apply: If there is a delay by the client regarding the fulfilment of its contractual duties, all dates will be extended by the duration of the delay plus an appropriate recovery period. In case of circumstances beyond the control of the supplier and in cases of force majeure (e.g. in cases of unforeseeable disruptions regarding operation, traffic or shipment, fire damage, floods, unforeseeable shortage of personnel, energy, raw materials or auxiliary materials, a subsequent shortage of materials, import and export restrictions, strikes, lockouts, official decrees and similar unforeseeable events, which subsequently make the service more difficult or impossible for us or our suppliers or the carriers), dates will be suitably extended by the period of the hindrance plus an appropriate recovery period, at most, however, by a period of three months in total. We will immediately notify the client about the start and end of such hindrances.

The previously mentioned circumstances are also beyond the control of the supplier if they occur during a delay. If the delivery hindrance should last longer than three months, both contractual parties are entitled to withdraw from the contract. In case of failure to comply with the scheduled delivery date, designated as binding by the supplier, the client is entitled to set an appropriate period of grace for the supplier in writing - periodically- of at least one month. If the delivery has not been carried out by the end of the period of grace, the client is entitled to withdraw from the contract. The delivery is considered punctual as soon as the goods/service have left the factory or warehouse of the supplier or the presupplier/subcontractor before expiry of the deadline. Damage due to delay will only be compensated by us in accordance with the provisions under Section 9.

- 4.3 The delivery obligation of the supplier will be cancelled without compensation if the supplier is constantly hindered in the fulfilling of its obligation by state measures in the country of origin of the goods or by supranational organisations, wartime events or natural disasters.

- 4.4 If the contract is changed at a later stage and this could influence the agreed delivery date, the delivery date will be extended appropriately, unless specific agreements have been made with respect to this.
- 4.5 If the customer does not fulfil its contractual obligation to co-operate (e.g. with respect to technical matters) in due time, the delivery date will also be extended correspondingly appropriately.
- 4.6 The supplier is entitled to partial services and partial deliveries and to charge separately for them if the supplier takes the client's interests into consideration appropriately.
- 4.7 Insofar as safety measures are required regarding installation services to be carried out by the supplier, the client is responsible for ensuring that they are complied with and has to bear the costs. If surveys have to be carried out, the client must arrange for these to be done and bear the costs.
- 4.8 If the client fails to collect the goods within one week of receipt of any notification of provision/invoice or if it refuses to accept the goods/service, the client will be in default of acceptance. If the client is in default of acceptance, the supplier is entitled to set the client a period of grace for collecting or accepting the goods/service. A period of grace of one week is considered appropriate. After an expiry of the period of grace with no change in the circumstances, the supplier is - notwithstanding further claims - entitled to withdraw from the contract and/or to claim compensation for damages. In the latter case, the supplier is entitled, without having to provide evidence of specific damages, to claim 10% of the agreed net purchase price as general compensation for damages, unless the client can prove that there are no damages or lesser damages to the supplier. The supplier is entitled to demand the compensation of the actual incurred damages instead of the general compensation for damages. In case of default of acceptance, the risk of incidental decay or incidental deterioration of the goods is transferred to the client.

Section 5 Price, payment and default

- 5.1 The offer price indicated in the individual order when the contract is concluded is determinative of the sales price.
- 5.2 Offer prices are based on USD/EUR and GBP/EUR exchange rates of the day the offer is submitted. Supplier reserves the right to adjust the prices in accordance with the change of the exchange rates that may occur until the day of invoicing.
- 5.3 If no special agreement has been made, the prices apply ex works or warehouse without the loading at the factory/warehouse and without packaging. The client will bear the costs of packaging, of loading, of transport, of import or export duties and of insurances. The supplier is entitled, but not obliged, to take out transport insurance at the cost of the client.
- 5.4 The statutory VAT is not included in the price. It will be payable in the respective statutory amount and will be separately accounted for on the invoice.
- 5.5 The purchase price is immediately due without deduction at the handover, unless specifically agreed otherwise for the individual order. In order for the payment to be considered as timely, the receipt of the amount by the supplier to be at its unconditional disposal is essential.
- 5.6 Insofar as deliveries staggered over time are part of the contract or partial deliveries take place, the purchase price is due with every partial delivery. Moreover, the supplier is entitled to demand appropriate partial payments.
- 5.7 In case of a late payment, the client agrees to pay the respective interest in the amount of 8% above the base interest rate of the ECB. The supplier is entitled to exert its due right of retention also in the case of a late payment of the client with respect to previous deliveries.
- 5.8 If the client is in default of payment or if there are reasonable doubts as to his ability to pay, the supplier is entitled to make all demands to the client payable immediately and/or to demand provision of security even prior to delivery/service, to withhold any outstanding deliveries/services from all contracts with the client completely or in part or to withdraw completely or in part from the existing contracts.
- 5.9 The client will only be entitled to the rights of set-off, retention and refusal of performance if its counterclaims have been determined, are undisputed or recognised in a legally valid manner. Furthermore, the client is only entitled to exert a right of retention insofar as its counterclaim is based on the same contractual relationship.

- 5.10 The supplier reserves the right to use payments in order to settle the oldest demand for payment due plus the default interest accrued on it and costs in the following order: costs, interest, demand for payment.

Section 6 Products for explosion-prone areas

The buyer is obliged to keep a record when goods delivered by the supplier for use in explosion-prone areas are passed on to third parties so that at any time the buyer can give information on the further whereabouts of the goods. If, for example, in the case of a recall initiated by the supplier, the buyer cannot give any information on the further whereabouts of the delivered goods, the liability for resulting damage to persons or goods will be transferred to the buyer.

Section 7 Defects

- 7.1 The quality and state of the delivered goods will follow the specifications and description of the contractual item provided by the supplier in the preparation of the offer or the order confirmation. The contractual parties agree that the goods are free from defects if they correspond to the state indicated in the specifications. The delivery of shortages of up to 10% of the amount agreed in the contract does not represent a defect.
- 7.2 Claims for defects expire by limitation after one year starting from delivery of the goods/service. In case of work performances the acceptance substitutes the delivery.
- 7.3 The client is obliged to accept work performances or installation services immediately, at the latest within two days following the notification of completion or following delivery. The delivery is considered as a request for acceptance. A record of acceptance must be issued at our request.
- 7.4 Obvious defects, wrong deliveries or quantity deviations should - notwithstanding the provisions in Section 4 and Section 640 Subsection 2 of the German Civil Code (BGB) - immediately be notified in writing by the supplier, at the latest within seven calendar days following the delivery of the goods/service or the acceptance of the work performances. Once the client has initiated the further processing, the right to make a complaint will elapse. Claims in respect of hidden defects are to be made immediately, at the latest within seven calendar days following the detection of the same. If the client fails to provide a notification in time, the goods/service will be considered as approved being free from defects and accepted. For clients who are traders according to the German Commercial Code, Section 377 of the German Commercial Code will apply supplementarily.
- 7.5 Defects have to be notified in writing.
- 7.6 Following the receipt of the notification of defects, the goods/service have to be transferred to the supplier for inspection at its request, insofar as this is possible without disproportionate effort or the supplier does not agree to a different procedure in writing. In case of an unsubstantiated notification of defects, the client will bear the costs for the time and effort spent by the supplier on the inspection.
- 7.7 In case of a substantiated complaint, the client, according to the supplier's choice, is entitled to a rectification of a defect done twice free of charge or to a substitute delivery. Deficiencies will be subsequently delivered. If the rectification of a defect done twice or substitute delivery is not successful within a reasonable period of time, the client is entitled to statutory rights.
- 7.8 The supplier can deny the remedy of defects or the substitute delivery as long as the client does not fulfil its due obligations with respect to the supplier. The enforcement of the plea for defects and the client's corresponding rights of refusal of performance and retention due to defects remain unaffected by this.
- 7.9 The warranty is excluded if the goods/service are not being used appropriately by the client or if it is combined with unsuitable parts (e.g. parts that are not from the supplier or do not correspond to the manuals) or are mounted into such parts. Moreover, the warranty is also excluded in the case of intended wear and in case of non-conformance due to inappropriate action, maloperation and careless treatment, in particular if the client fails to follow the operational and maintenance instructions.
- 7.10 The previously mentioned restrictions of the warranty do not apply to damage from injury to life, body or health resulting from a deliberate or negligent violation of duty by us or one of our legal representatives or an agent. The previously mentioned restrictions of the warranty also do not apply to other damage resulting from a deli-

berate or grossly negligent violation of duty by the supplier or one of its legal representatives or an agent or if the other damage has occurred due to the absence of a guaranteed condition or due to fraudulent concealment of a defect. The time restriction of the claims to one year according to the above Section 7.2 does also not apply to the damage and the corresponding claims described in this paragraph.

- 7.11 The assignment or pledge of warranty claims without transferring the goods to a third party is excluded. The client undertakes to inform the supplier immediately and fully if warranty claims should be made against the client by its own customers.

Section 8 Compensation for damages

- 8.1 Any claims for compensation of damages of the client which irrespective of the legal basis directly or indirectly result in connection with the order, with the delivery or the use of goods/services of the supplier or with the recourse to work performances are excluded. This liability exclusion does not apply in the case of violation of an essential contractual obligation (cardinal duty). Cardinal duties are duties whose fulfilment enable the proper execution of this contract in the first place and on the adherence to which the contractual partner periodically relies and is allowed to rely on, hence rights and obligations which the contract should indeed grant according to its content and purpose.
- 8.2 The liability of the supplier is in any case restricted to the compensation of the foreseeable damage typical for the contract. Claims for compensation (of damages) of the client to the supplier which go back to contractual penalty claims of the client's customers, are by no means foreseeable for the supplier and are not typical for the contract in the above-mentioned sense. The supplier is entitled to furnish proof of a lesser damage.
- 8.3 Insofar as the damage is covered by insurance taken out by the client for the respective damage situation, the supplier is only liable for possible disadvantages of the client in connection therewith, e.g. higher insurance premiums or interest disadvantages, until the insurance company settles the claim.
- 8.4 The previously mentioned liability exclusions and limitations do not apply to damage from injury to life, body or health resulting from a deliberate or negligent violation of duty by the supplier or one of its legal representatives or agents. Nor do the previously mentioned liability exclusions and limitations apply to other damage resulting from a deliberate or grossly negligent violation of duty by the supplier or one of its legal representatives or an agent or if the other damage has occurred due to the absence of a guaranteed condition or due to fraudulent concealment of a defect.

Section 9 No-fault liability/product liability

If a third party should make claims on the supplier due to no-fault liability, in particular due to product liability, the client will take over the liability to the extent that it would also be directly liable. The liability of the supplier is - insofar as legally possible - excluded for measures of the client regarding damage prevention, such as product recalls.

Section 10 Reservation of ownership, reservation of copyright, secrecy

- 10.1 The supplier reserves the ownership of all its goods/services (reserved goods) until all claims arising from the business relationship with the client have been settled. This also applies to items which are installed or handed over within the scope of work performances. The reservation of ownership with respect to the client also remains in place if the claims of the supplier are included in a current invoice (current account) and the balance has been drawn and accepted (reservation of current account). The transfer of risks according to Section 4 remains unaffected by this.
- 10.2 The client shall treat the reserved goods with care. The client is obliged to sufficiently insure the reserved goods at its own cost at the gross invoice value against damages caused by fire, water and theft and already assigns its claim for compensation from these insurance contracts in the amount of the gross invoice value to the supplier. The assignment is hereby accepted.
- 10.3 The client is entitled to resell the delivered goods exclusively in the correct course of business, provided that it fulfils its contractual obligations with respect to the supplier and that the resale results in a compensation claim

at least equal to the amount of the purchase costs. In case of a resale of the reserved goods by the client, the client in turn shall until full payment only deliver these under effectively agreed reservation of ownership to its customers (transferred reservation of ownership), in which case the reservation of current account agreed in Section 7.1 does not apply to the transferred reservation of ownership. The client assigns all its claims against its customers or third parties arising from the resale of the reserved goods and also any possible claims due to the client in future to the supplier in advance according to the gross invoice value of the deliveries or the co-ownership portion of the supplier. The supplier hereby accepts the assignment. In case of processing, combining, amalgamation and/or mixing of the goods/services of the supplier with external goods, the assignment of claims will only apply in the ratio of the gross invoice value of the reserved goods to the value of the external goods sold at the same time. The client is still entitled to collect claims even after the assignment. The entitlement of the supplier to collect the claims itself remains unaffected by this. However, the supplier is obliged not to collect the claim as long as the client duly performs its payment and other obligations. Should the client, however, be in default of payment, the supplier is entitled to notify the client's customers of the assignment of the claim or the reservation of ownership and to collect the claims itself. The client shall transfer the earnings from the resale of the reserved goods in each case to the supplier without delay insofar as claims are or become due.

In case of suspension of payments, insolvency application for the assets of the client or non-fulfilment of its obligations with respect to the supplier, the authorisations for the resale of the reserved goods and for collection of claims with respect to the client's customers will automatically expire and are transferred to the supplier. The client is obliged to disclose the assigned claims and their debtors at the supplier's request, to provide the supplier with all data required for the collection and to surrender the appropriate documents, in particular accounting records.

- 10.4 A processing, combining, amalgamation and/or mixing of the reserved goods by the client will always take place on behalf of the supplier, without the supplier being bound thereby. In the case of processing, combining, amalgamation and/or mixing together with items not belonging to the supplier, the supplier becomes co-owner of the new item in the ratio of the value of the reserved goods item to the other items at the time of processing, combining, amalgamation and/or mixing. If the client acquires the sole ownership of the new item it will be agreed that the client will assign a co-ownership to the supplier according to the proportional gross invoice value. The client will keep the thus generated sole or co-ownership safe for the supplier. With respect to the goods arising from processing, combining, amalgamation and/or mixing the same incidentally applies as for reserved goods delivered under reservation of ownership.
- 10.5 In the case of violation of the contract by the client, in particular in case of default payment, the supplier is entitled to take back reserved goods which have not yet been paid for. In this respect, the client does not have a right to ownership. After taking back the goods the supplier is authorised to make use of them. The proceeds from utilisation will be credited against the client's debts minus the costs of utilisation. The client has the option of proving that the utilisation has caused inappropriately high costs, in which case the corresponding difference will not have to be borne by the client.
- 10.6 The client is not entitled to pledge or to transfer the reserved goods by way of security. The goods delivered by the supplier are expressly excluded from a transfer of entire warehouses by way of security. In case of debt enforcements or attachments, the client must point out the existing reservation of ownership and notify the supplier in writing without delay so that the required countermeasures can be taken. The client is liable for the judicial and extrajudicial costs incurred by the supplier through this if compensation cannot be achieved by other means.
- 10.7 The supplier is obliged to release any securities possibly conceded to it at the request of the client if the realisable value of the securities exceeds the claims to be secured by more than 20%; the selection of the securities to be released rests with the supplier.
- 10.8 If the reserved goods are delivered to a place outside of the Federal Republic of Germany or are brought to such a place by the client, then the following overriding Sections 10.1 to 10.7 shall apply: The client will ensure that the reservation of ownership of the supplier is effectively protected in the country where the goods are or into which they will be brought. If certain actions (e.g. a particular labelling or an entry into the local register) are required for this purpose, the client will carry these out on behalf of the supplier at the client's own cost. Should the co-operation of the supplier be required, the client will notify the supplier of this without delay. Also, beyond that the client will inform the supplier about all essential circumstances which are important in the scope of protection of the ownership of the supplier to the furthest possible extent. The client will in particular provide all documentation and information required for enforcement of the rights arising from ownership. The provisions of

Section 7.8 herein shall apply respectively, if according to the legal system of the place where the goods are located a reservation of ownership cannot be effectively agreed, in order to create a legal position for the supplier which effectively protects the interests and claims of the supplier in an immediately effective or otherwise suitable manner insofar as this is legally possible.

- 10.9 The supplier reserves the right to its ownership and all copyrighted rights of use and utilisation of drawings, plans, models, templates, patterns, tools, production means and similar items and of confidential specifications/ideas provided to the client or paid for by the supplier. These items and specifications/ideas must not be ceded or otherwise made accessible to third parties without prior consent. The reproduction of such items and specifications/ideas is only admissible within the scope of the requirements of the contractual relationship and taking the copyright provisions into consideration. Third parties which come into contact with the items and specifications/ideas according to the terms of the contract must be correspondingly bound by the client.
- 10.10 The client is obliged to always - even in case of doubt - treat any (unobvious) technical, economic and personal activities and relationships with the supplier, of which it gains knowledge in the context of contractual relationships with the supplier or in the context of the supplier's offers, additional services, consultations and information, as business or corporate secrets, to keep them secret and to ensure that third parties (including family members and employees not concerned with the subject) do not gain knowledge of them in an unauthorised manner. The obligation to secrecy continues even after the contractual relationship has been terminated. If the client culpably violates the obligation to secrecy, it is obliged to pay a contractual penalty of 5% of the net order value to the supplier for each individual case of violation. The supplier reserves the right to assert any additional compensation claims.

Section 11 Indemnity in case of violation of third party property rights

By means of the independent guarantee, the client vouches for the client being the unrestricted holder of rights with respect to the required copyrights and industrial property rights if the supplier produces based on designs and specifications or using goods/materials from the client. If nevertheless copyrights or industrial property rights should be asserted against the supplier in this respect by third parties, the client must keep the supplier indemnified against all costs and demands in this respect.

Section 12 Export control clause

- 12.1 Fulfillment of contract is subject to the reservation that no obstacles based on German, American, or other applicable national, EU or international provisions concerning foreign trade law or any embargos or other sanctions stand in the way. The customer must observe the applicable regulations and obtain any necessary permits when exporting or shipping the goods supplied by us.
- 12.2. The customer undertakes to provide all information and documents required for export or shipment. In particular, the customer will, upon request, immediately provide the supplier with all information concerning the final recipient, final destination and intended use of the goods delivered by the supplier as well as any relevant export control restrictions. Delays due to export inspections or approval procedures invalidate deadlines or delivery times.
- 12.3 The supplier is entitled to terminate the contract without notice if the termination by the supplier is necessary to comply with national or international legal provisions.
- 12.4 In the event of termination in accordance with Paragraph 12.3 above, the assertion of a claim for damages or the assertion of other rights by the customer due to termination is excluded.
- 12.5 In the event of a breach of export control obligations by the customer, the latter shall immediately release the supplier in full from all claims asserted by authorities or other third parties against the supplier and compensate all damages asserted by authorities and/or third parties against the supplier. This does not apply if the customer is not responsible for the obligations. This does not imply a reversal of the burden of proof.
- 12.6 If approvals are not granted or other delivery restrictions exist, the supplier's quotation shall become invalid and a contract relating thereto shall be deemed not concluded with regard to these goods. Any claim for damages in connection with the refusal of or delay in the granting of authorizations or other export restrictions is excluded, unless this is based on intent or gross negligence on the part of the supplier.

Section 13 Applicable law, jurisdiction

- 13.1 The contractual relationship is governed by the law of the Federal Republic of Germany. The CISG will not be applied.
- 13.2 The registered office of the supplier is agreed as the place of fulfilment for all obligations from this contractual relationship. The court of jurisdiction for all disputes arising from this contractual relationship will be the court having jurisdiction at the registered office of the supplier and according to the discretion of the supplier will also be the court of jurisdiction of the client.
- 13.3 All agreements between the parties with respect to the contractual relationship, including the modification of this clause, are subject to the written form.

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