

Terms and Conditions of Sale of CONTROLtronic GmbH, Munich

Version: January 2015

1. Application

- 1.1 These Terms and Conditions of Sale (T&Cs) are an integral part of the contracts concluded with us.
- 1.2 We do not recognise any differing or contrary terms and conditions of the Purchaser unless we have expressly agreed to them in writing.
- 1.3 Our T&Cs shall also govern, always in their correspondingly newest version, all future transactions, even if we perform deliveries to the Purchaser despite having knowledge that the Purchaser has differing or contrary terms and conditions.

2. Offer, Orders

- 2.1 Our offers shall be at all times – especially with regards to volume, prices and delivery timetables – conditional.
- 2.2 Orders placed by the Purchaser shall be considered accepted only upon confirmation thereof by us in writing. If we fail to confirm the order in writing within a period of four weeks after having received the order, the order shall be deemed to be rejected.

3. Prices

- 3.1 Unless otherwise agreed in writing, our prices shall be Ex Works, plus the legally established VAT charges and packaging costs.
- 3.2 If additional or higher expenses arise due to a change in the valid legal provisions between the moment of the conclusion of the agreement and the moment of delivery – especially in case of altered custom duties, levies, exchange costs –, we may adapt our prices accordingly.

4. Payment

- 4.1 Unless otherwise agreed in writing, the purchase price, without any discounts, shall be due within ten days from the date of the invoice. Regarding contracts about custom-made products we shall be entitled to claim for prepayment in the amount of the purchase price.
- 4.2 Non-payment after the due date shall activate the application of default interests in the amount of 8 % p.a. We reserve all rights to claim further damages for delay in payment.
- 4.3 We shall accept promissory notes and cheques only upon specific agreement and only for payment purposes. Any fees created by discount bills or promissory notes shall be borne by the Purchaser and immediately due for payment.
- 4.4 If the Purchaser's business should find itself in a situation where the conduct of business as usual proves impossible, including but not limited to (i) if the Purchaser is the object of an act of seizure, (ii) if the Purchaser is the object of a protest against its promissory notes or cheques, (iii) if the Purchaser's bills should remain unpaid temporarily or should

such payment be entirely discontinued, or (iv) if a legally binding insolvency proceeding have been applied for against the Purchaser, we may require the immediate payment of all claims arising from the contractual relationship, even if we have accepted promissory notes or cheques. The same applies if the Purchaser incurs in arrears in payments due or if other circumstances become known that give rise to doubts as to the Purchaser's creditworthiness.

- 4.5 Further, in the cases described in Section 4.4 above we may (i) claim for payments in advance or securities or (ii) rescind the contract.
- 4.6 The Purchaser shall not be entitled to offset only insofar as its counterclaims remain uncontested or have been acknowledged in a legally binding judgement. The Purchaser may claim retainer rights only to the extent that such rights are based on the same contractual relationship.

5. Delivery Conditions

- 5.1 Unless otherwise agreed in writing, each delivery takes place EXW (Munich) according to Incoterms 2010.
- 5.2 The goods shall be transported uninsured and in any event at the risk of the Purchaser. This shall also apply in cases of any delivery free of charge and regardless of which means of transport shall be used. Transport insurance shall be provided only upon demand in this sense by the Purchaser. The costs arising from said insurance shall be borne by the Purchaser.
- 5.3 Unless otherwise agreed in writing, the selection of the place of dispatch and the transport route, as well as the means of transport itself shall be determined at our discretion within reasonable parameters; we do not assume any liability for the cheapest and quickest form of transport.
- 5.4 If the Purchaser provides the means of transport, then it shall itself be responsible for making it punctually available. The Purchaser shall immediately inform us of any potential delays. Any costs arising therefrom shall be borne by the Purchaser.
- 5.5 We shall have the right to reasonable delivery in instalments.
- 5.6 Unless otherwise agreed in writing, the given delivery and unloading times are non-binding.
- 5.7 Our obligation to deliver shall at all times be subject to the timely and orderly receipt of the goods from our own suppliers.
- 5.8 Any inability to supply incurred as a result of force majeure or as a consequence of other unforeseen circumstances and circumstances beyond our control, including but not limited to interruptions in operations, strikes, lock out, orders from public authorities, and our reservation for the timely receipt of goods from our own suppliers pursuant to Section 5.7 above, shall relieve us for their duration and according to their impact from our obligations to comply with agreed delivery and unloading time schedules.

5.9 When the agreed delivery or unloading time schedules remain unmet or exceeded and if no incident as described in Section 5.7 above is given, then the Purchaser shall grant us an additional period to deliver or unload of at least four weeks. If we also fail to meet the new extended deadline, the Purchaser may rescind the contract.

5.10 Delivery is conditioned upon timely and proper performance by the Purchaser of its contractual obligations. We reserve ourselves the right not to deliver in case of breach of the contract by the Purchaser.

6. Objections, Warranty

6.1 Upon delivery of the goods the Purchaser shall immediately check the quantities and packaging of the delivered goods and record any objections thereto on the delivery or consignment note.

6.2 Should a defect come to the notice of the Purchaser, it shall comply with the following guidelines and deadlines to notify of the existence of said defect:

a) The notification of defect shall be made before the end of the working day following the day on which the delivery of the goods at the agreed destination took place or on which possession of the goods was taken.

b) In the event of an objection to a hidden defect which, despite a first inspection in accordance with Section 6.1 above had remained undiscovered, a different deadline regime shall apply. In such a case, the objection shall be raised at the end of the working day which follows the day upon which the discovery of the defect took place.

c) The detailed and written notice of defect shall be communicated within the above established deadlines. Notices communicated per telephone will not be accepted, nor shall notice of defects to sales representatives, commission agents or agents be considered valid.

d) The notice of defect shall clearly specify the nature of the alleged defects and their number.

e) If the goods are intended to be used for installation, and cannot be replaced after installation or only by doing damage to the installed parts or environment, then it is essential that in all cases the buyer checks that the goods are free of defects before installing them. Once the goods have been installed we are freed from all forms of liability due to defects.

6.3 Objections with regard to the number of packages received or as to the state of the packaging itself shall be disregarded unless a notification to that effect has been included in the delivery or consignment note in accordance with Section 6.1 above.

6.4 Any goods to which objections have not been raised in accordance with the procedures and time limits set out in this Section shall be regarded as approved and accepted.

6.5 Regarding the delivery of defective goods, we are only liable for the subsequent delivery of an item that

is free of defects unless we had fraudulently failed to report the defect.

6.6 Warranty claims shall be time-barred after two years from the transfer of the risk of the goods.

7. Reservation of Title

7.1 We reserve the title over the goods until receipt of all payments in full. If the Purchaser incur in breach of contract, including but not limited to default in payment, we may retake possession of the goods.

7.2 As long as the purchase price has not been completely paid, the Purchaser shall immediately inform us in writing, when the goods are object of third party rights or of any other type of legal intervention on the part of third parties.

8. Liability

8.1 We shall be liable to the Purchaser only for damage caused by intent or gross negligence. Other than in case of intent, we shall not be liable for indirect damage or consequential damage, including but not limited to loss of profit, interruption in production and/or interruption of operations at the Purchaser or its customers. Mandatory statutory claims of the Purchaser shall not be affected hereby; this applies, above all, to claims due to harm done to a person's life, body or health.

8.2 Where the damage is due to the culpable breach of a material contractual duty or to the breach of a duty the discharge of which allows the proper performance of the contract in the first place and on the fulfilment of which the Purchaser can regularly rely and if we are responsible for such breach of duty, we shall be liable in accordance with the statutory provisions. In the event of simple negligence, however, liability shall be limited to the foreseeable and typical damage.

9. Governing Law and Court of Jurisdiction

9.1 The contracts concluded with us shall be governed by and construed and interpreted in accordance with the laws of Germany, excluding the UN Convention on Contracts and the Sale of International Goods.

9.2 Any dispute between the parties regarding the contracts shall be settled by the competent court of Munich, Germany.

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