

**General Sales Terms and Conditions of Elotech Industrieelektronik GmbH, date:
January 2016**

§ 1 Scope of validity

1. The general sales terms and conditions (hereinafter referred to as the "the General Terms and Conditions") of Elotech Industrieelektronik GmbH (hereinafter referred to as: "Elotech") apply for Elotech deliveries and services and all business relationships (hereinafter referred to as "performances") with Elotech's business partners (hereinafter also referred to as "customers").
These General Terms and Conditions apply only when the customer (§ 14 German Civil Code (BGB)), is a legal entity under public law or a special asset under public law.
2. The General Terms and Conditions apply particularly for contracts over sales or the delivery of portable items ("good"), irrespective of whether Elotech manufactures the goods itself or purchases them from suppliers (§§ 433, 651 German Civil Code (BGB)). Unless otherwise agreed, the General Terms and Conditions also apply in the version valid at the time of the customer's order or, in any case, in the version most recently communicated to the customer in text form as a framework agreement for similar future contracts, without Elotech having to refer to them again in each individual case.
3. Elotechs General Terms and Conditions apply exclusively. Any deviating, conflicting or supplementary general terms and conditions of business of the customer shall become part of the contract only if and to the extent that Elotech has expressly agreed to their validity in writing. This consent requirement applies in all cases, for example, even if Elotech, being aware of the business partner's general terms and conditions, accepts the business partner's order without reservation and carries out the delivery without reservation.
4. Individual agreements made with the customer in individual cases (including side agreements, supplements and amendments) shall in all cases take precedence over these terms and conditions. Subject to proof to the contrary, the content of such agreements shall be governed by a written contract or Elotech's written confirmation.
5. Legally relevant declarations and notifications to be made to Elotech by the business partner/customer after conclusion of the contract (e.g., setting of deadlines, reminders, declaration of withdrawal) must be made in writing to be effective.
6. References to the validity of legal regulations only have a clarifying meaning.
Even without such a clarification, the statutory provisions shall therefore apply, insofar as they are not directly amended or expressly excluded in these terms and conditions.

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7. All agreements made between Elotech and the customer in addition to the terms and conditions set out by Elotech in the offer and order confirmation must be expressed in writing in this contract.

§ 2 Contract conclusion

1. Offers are non-binding and subject to confirmation until the final conclusion of the contract. This shall also apply if Elotech has provided the customer with catalogues, technical documentation (e.g., drawings, plans, calculations, references to DIN standards), other product descriptions or documents - also in electronic form - to which Elotech reserves title and copyright. Elotech's written order confirmation is the standard for the scope of the performance obligation. In this context, the order of the goods or services by the customer is considered a binding offer of contract. Unless otherwise stated in the order, Elotech is entitled to accept this contractual offer within 2 weeks of its receipt by Elotech.
2. Acceptance can be either in writing (for example by order confirmation) or by delivery of the goods to the customer.

§ 3 Obligation to deliver, delivery date and delay in delivery

1. The delivery date is individually agreed or by Elotech on acceptance of the order. If this is not the case, the delivery date is approx. 2 weeks after contract conclusion.
2. If Elotech is unable to meet binding delivery dates for reasons for which Elotech is not responsible (non-availability of performance), Elotech will immediately inform the customer thereof and at the same time notify the customer of the expected new delivery date. If the performance is also not available within the new delivery period, Elotech is entitled to withdraw from the contract in whole or in part; Elotech will immediately refund any payment already provided by the customer. A case of non-availability of performance in this sense is deemed to be, in particular, the failure of Elotech's suppliers to deliver on time, if Elotech has concluded a congruent cover transaction, if neither Elotech nor Elotech's supplier is at fault, or if Elotech is not obligated to procure in an individual case
3. Elotech is entitled to check the creditworthiness of the customer before providing the performances. If the examination does not lead to a positive result, Elotech is entitled to demand advance payment for deliveries and other services to the customer or, at Elotech's option, to withdraw from the contract with immediate effect. In such a case, Elotech shall promptly inform the customer accordingly.

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4. The occurrence of Elotech's default in delivery is governed by the statutory provisions. In each case however, a customer reminder is required. If Elotech is in default of delivery, the customer may demand flat rate compensation for damages caused by delay. The flat rate compensation shall amount to 0.5% of the net price (delivery value) for each completed calendar week of the delay, but in total no more than 5% of the delivery value of the goods delivered late. Elotech reserves the right to prove that the customer suffered no damage or that the damage was significantly less than that covered by the above flat rate.
5. The rights of the customer acc. § 9 (Other Liability) of these terms and conditions and Elotech's statutory rights, in particular in the event of an exclusion of the obligation to perform (e.g., due to impossibility or unreasonableness of performance and/or subsequent performance), shall remain unaffected.

§ 4 Delivery, transfer of risk, acceptance, delayed acceptance

1. Delivery is ex-warehouse, which is also the place of performance for the delivery and any subsequent performances. At the request and expense of the customer, the goods will be shipped to another destination (sales shipment). Unless otherwise agreed, Elotech is entitled to determine the method of shipment (in particular transport company, shipping route, packaging).
2. The binding nature of performance and/or delivery dates and deadlines (hereinafter: deadline) requires that the customer provides Elotech with documents and other necessary information promptly and is not in default with cooperation or other material contractual and/or payment obligations.
3. Partial deliveries or partial performances are permitted, as long as this is reasonable for the customer.
4. An agreed delivery period shall be deemed to have been met as soon as the shipment has left Elotech's place of business in good time or readiness for shipment has been notified in good time. It shall be reasonably extended in particular in the event of force majeure. Force majeure also includes industrial action, official measures for which Elotech is not responsible and operational disruptions. Elotech will inform the customer immediately of the beginning and end of such circumstances, insofar as they are known to Elotech.
5. If an ordered item cannot be delivered because Elotech, through no fault of its own, was not supplied by a pre-supplier despite contractual obligations, Elotech is entitled to withdraw from the contract. In this case the customer is informed immediately that the ordered goods are not available. Any payments already made are reimbursed.

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6. The risk of accidental loss and accidental deterioration of the goods shall pass to the customer at the latest upon delivery. In the case of mail order purchases, however, the risk of accidental loss and accidental deterioration of the goods as well as the risk of delay shall pass upon delivery of the goods to the forwarding agent, carrier or other person or institution designated to carry out the shipment. If acceptance has been agreed, this is decisive for the transfer of risk. The statutory provisions of the law on contracts for work and services also apply accordingly to an agreed acceptance. If the client is in default of acceptance, this shall be deemed equivalent to handover or acceptance.
7. If the customer is in default of acceptance, fails to cooperate or if Elotech's delivery is delayed for other reasons for which the customer is responsible, Elotech is entitled to demand compensation for the resulting damage, including additional expenses (for example storage costs). For this, Elotech will charge a flat-rate compensation of EUR 50 per calendar day, beginning with the delivery deadline or, in the absence of a delivery deadline, with notification that the goods are ready for shipment.
8. The proof of greater damages and our statutory claims (in particular compensation for additional expenses, reasonable compensation, termination) shall remain unaffected. However, the flat rate shall be set off against further monetary claims. The customer shall be entitled to prove that Elotech has not incurred any damage or that the damage incurred is substantially less than the above flat rate.

§ 5 Prices – payment terms

1. Unless otherwise agreed in individual cases, Elotech's prices are current at the time the contract is concluded and are ex warehouse, plus statutory VAT. Elotech's prices apply for deliveries, excluding packaging. Packaging costs are invoiced separately.
2. In the case of sales shipment (§ 3, paragraph 1), the customer shall bear the transport costs ex warehouse and the costs of any transport insurance requested by the customer. Unless Elotech invoices the transport costs actually incurred in the individual case, a flat rate for transport costs (excluding transport insurance) of 12 euros per 5 kg shipping weight for shipments within Germany shall be deemed agreed. Any customs duties, fees, taxes and other public charges shall be borne by the customer.
3. The withholding of discounts requires special written agreement.
4. Unless otherwise stated in the order confirmation, the purchase price is due for payment net (without deduction) within 30 days of the invoice date. However, Elotech is entitled at any time, even within the framework of an ongoing business relationship, to carry out

a delivery in whole or in part only against advance payment. Elotech declares a corresponding reservation at the latest with the order confirmation.

5. Upon expiry of the above payment period, the customer shall be in default of payment. If the customer is in default of payment, Elotech is entitled to charge interest on the purchase price at the applicable statutory default interest rate during the period of default. If Elotech is able to prove higher damages caused by the delay, Elotech is entitled to claim such higher damages. With respect to merchants, Elotech's claim to the commercial due date interest (§ 353 German Commercial Code (HGB)) remains unaffected. The customer is nevertheless entitled to prove to Elotech that Elotech suffered no damage or substantially less damage as a result of the default of payment.
6. The customer shall only be entitled to offsetting rights if counterclaims have been legally established, are undisputed or have been recognised by us. The customer is entitled to exercise a right of retention insofar as the counterclaim is based on the same contractual relationship.
7. If after conclusion of the contract it becomes apparent (e.g., through an application for insolvency proceedings) that Elotech's claim to the purchase price is endangered by the customer's inability to pay, Elotech is entitled to refuse performance in accordance with the statutory provisions and - if necessary, after setting a deadline - to withdraw from the contract (§ 321 German Civil Code (BGB)). In the case of contracts for the manufacture of non-representative items (custom-made products), Elotech may withdraw from the contract immediately; the statutory provisions regarding the dispensability of setting a time limit remain unaffected.
8. In the event of changes requested by the customer after conclusion of the contract, Elotech reserves the right to change prices and delivery dates which were previously agreed.

§ 6 Limitation period

1. Contrary to § 438 para. 1 no. 3 of the German Civil Code (BGB) the general statute of limitations for claims for material defects and defects of title is one year after delivery. If acceptance is agreed, the statute of limitations starts with acceptance.
2. This statutory limitation period on the sale of goods also applies to contractual and non-contractual claims for damages by the customer which are based on product defects, unless the application of the regular statutory limitation period (§§ 195, 199 German Civil Code (BGB)) would lead to a shorter limitation period. Claims for damages of the customer acc. § 8 para. 2 clause 1 and clause 2(a) and in accordance with the product liability act nevertheless expire exclusively after the statutory statute of limitations.

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§ 7 Retention of property

1. Elotech retains title to the goods sold until full payment of all present and future claims of Elotech under the purchase contract and an ongoing business relationship (secured claims).
2. The goods subject to retention of title may neither be pledged to third parties nor transferred by way of security before full payment of the secured claims. The customer must notify Elotech immediately in writing if an application for the opening of insolvency proceedings is filed or if third parties seize the goods belonging to Elotech (e.g., seizures).
3. If the customer acts in breach of contract, in particular in the event of non-payment of the purchase price due, Elotech is entitled to withdraw from the contract in accordance with the statutory provisions and to return the goods on the basis of the retention of title and withdrawal. If the customer does not pay the purchase price due, Elotech may assert these rights only if Elotech has unsuccessfully set the customer a reasonable deadline for payment or if such a deadline is unnecessary according to statutory provisions.
4. Until revocation according to (c) below, the customer is authorised to resell and/or process the goods subject to retention of title in the ordinary course of business. In this case the following provisions apply in addition.
 - (a) Retention of title extends to the full value of the products resulting from the processing, mixing or combination of Elotech's goods, with Elotech being deemed the manufacturer. If, in the event of processing, mixing or combination with goods of third parties, their ownership rights remain, Elotech shall acquire co-ownership in proportion to the invoice values of the processed, mixed or combined goods. Otherwise, the same applies to the resulting product as to the goods delivered subject to retention of title.
 - (b) The customer hereby assigns to Elotech by way of security all claims against third parties arising from the resale of the goods or product, in total or in the amount of Elotech's possible co-ownership share in accordance with the preceding paragraph. Elotech accepts the assignment. The duties of the customer given in para. 2 apply also with regard to the assigned claims.
 - (c) Besides Elotech, the customer remains authorized to collect the claim. Elotech undertakes not to collect the claim as long as the customer fulfils its payment obligations to Elotech, there is no deficiency in its ability to perform and Elotech does not assert the retention of title by exercising a right pursuant to paragraph 3. However if this is the case, Elotech may demand that the customer notifies Elotech of the assigned claims and their debtors, provides all information necessary for

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collection, hands over the associated documents and notifies said debtors (third parties) of the assignment. Furthermore, in this case Elotech is entitled to revoke the authority of the customer to further sell and process the goods subject to retention of title.

(d) If the realisable value of the securities exceeds Elotech's claims by more than 10%, Elotech will release securities at Elotech's discretion upon the customer's request.

§ 8 Warranty for defects

1. The rights of the customer in the event of material defects and defects of title (including incorrect and under-delivery as well as improper assembly or faulty assembly instructions) are governed by the statutory provisions, unless otherwise specified below. In all cases, the statutory special regulations remain unaffected in the case of final delivery of the goods to a consumer (supplier's recourse in accordance with §§ 478, 479 German Civil Code (BGB)).
2. The basis of Elotech's liability for defects is above all the agreement regarding quality of the goods. The product descriptions designated as such (including those of the manufacturer), which were provided to the customer prior to the order or which were included in the contract in the same way as these terms and conditions of business, are considered to be an agreement on the quality of the goods.
3. Insofar as the quality has not been agreed, it shall be assessed in accordance with the statutory regulations as to whether a defect is present or not (§ 434 para. 1 clauses 2 and 3 German Civil Code (BGB)). However, Elotech assumes no liability for public statements made by the manufacturer or other third parties (for example, advertising statements).
4. The customer's claims for defects presuppose its fulfilment of statutory obligations to inspect and notify (§§ 377, 381 German Commercial Code (HGB)). If a defect becomes apparent during the inspection or later, Elotech must be notified immediately in writing. The notification shall be deemed to be immediate if it is made within two weeks, whereby timely dispatch of the notification shall suffice to comply with the deadline. Irrespective of this obligation to inspect and give notice of defects, the customer shall notify us in writing of obvious defects (including wrong and under-delivery) within two weeks of delivery, whereby timely dispatch of the notification shall be sufficient to comply with the deadline. If the customer fails to properly examine and/or report defects, Elotech's liability for the unnotified defect is excluded.
5. If the delivered item is defective, the customer may initially demand, at its discretion, either removal of the defect (rectification) or delivery of a defect-free item

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(replacement) as subsequent performance. If the customer does not declare which of the two rights it chooses, Elotech may set a reasonable deadline for this decision. If the customer does not make the selection within the deadline, the right to choose shall pass to Elotech upon expiry of the deadline.

6. Elotech is entitled to make the subsequent performance owed dependent on the customer paying the purchase price due. However, the customer is entitled to retain a reasonable part of the purchase price in relation to the defect.
7. The customer must give Elotech the necessary time and opportunity for the subsequent performance owed, in particular to hand over the rejected goods for inspection purposes. In the case of replacement delivery, Elotech must return the defective item to the customer in accordance with the statutory regulations. Subsequent performance does not include removal of the defective item or reinstallation if Elotech was not originally obliged to carry out the installation.
8. The expenses necessary for the purpose of testing and subsequent performance, in particular transport, travel, labour and material costs (not: removal and installation costs), shall be borne by Elotech in the event of an actual defect. Elotech may otherwise demand that the customer reimburse Elotech for the costs arising from the unjustified request for the remedy of defects (in particular testing and transport costs), unless the absence of defects was not apparent to the customer.
9. In urgent cases, e.g., if operational safety is endangered or to prevent unreasonable damage, the customer has the right to remedy the defect itself and to demand compensation from us for the expenses objectively required for this. Elotech must be notified immediately of this kind of self-remedy. The right of self-remedy does not exist if Elotech was entitled to refuse a corresponding subsequent performance in accordance with the statutory provisions.
10. If the supplementary performance has failed or a reasonable deadline to be set by the customer for the supplementary performance has expired without success or is unnecessary according to the statutory provisions, the customer may withdraw from the purchase contract or reduce the purchase price. In case of an insignificant defect, however, there is no right of withdrawal.
11. Even in the case of defects, the customer's claims for damages or compensation for wasted expenditure shall only exist in accordance with §9 (other liability) and shall be otherwise excluded.

§ 9 Other liability

1. Unless otherwise stated in these General Terms and Conditions, including the following provisions, Elotech is liable for breach of contractual and non-contractual duties in accordance with the statutory provisions.
2. Elotech is liable for damages - regardless of the legal basis - within the scope of strict liability for intent and gross negligence. In the case of simple negligence, Elotech is only liable, subject to a milder measure of liability according to legal regulations (for example, for diligence in one's own affairs)
 - a) for damages from injury to life, limb or health,
 - b) for damages resulting from the serious breach of an essential contractual obligation (an obligation whose fulfilment makes the proper execution of the contract possible in the first place and on whose compliance the contractual partner regularly relies and may rely) in this case however the liability of Elotech is limited to compensation for foreseeable, typically occurring damage.

The limitations of liability resulting from paragraph 2 shall also apply to breaches of duty by or in favour of persons for whose culpability Elotech is responsible according to statutory provisions. They do not apply insofar as Elotech has fraudulently concealed a defect or has assumed a guarantee for the quality of the goods and for claims of the client under the German Product Liability Act.

The customer may only withdraw or terminate due to a breach of duty other than a defect if Elotech is responsible for the breach of duty. A free right of termination by the customer (in particular according to §§ 651, 649 German Civil Code (BGB)) is excluded. Otherwise, the statutory requirements and legal consequences apply.

§ 10 Applicable rights - legal venue – place of fulfilment

1. For these General Terms and Conditions and the contract relationship between Elotech and the customer the law of the Federal Republic Germany under the exclusion of the international uniform law, particularly of the United Nations Purchasing Law, applies.
2. If the customer is a merchant within the meaning of the German Commercial Code (HGB), a legal entity under public law or a special asset under public law, the exclusive, also international, legal venue for all disputes arising directly or indirectly from the contractual relationship is Elotech's place of business in Hilden. The same applies if the customer is a company in the sense of § 14 German Civil Code (BGB). Elotech is nevertheless also entitled in all cases to lodge a complaint at the place of fulfilment of

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the delivery obligation or at the general legal venue of the customer according to these General Terms and Conditions or a prioritised individual arrangement. Prioritised statutory regulations, particularly with regard to exclusive circumstances, remain unaffected.