

General Terms and Conditions of Business and Delivery

TelePart Distribution GmbH, Zeller Str. 17, 73271 Holzmaden, Germany (as of June 2018)

Art. 1 Scope of Application

1. These General Terms and Conditions shall apply exclusively. They shall be applicable vis-à-vis entrepreneurs (Art. 14 of the German Civil Code, BGB), legal persons under public law or special funds under public law. We shall not acknowledge any different general terms and conditions of our customers unless we consented to their applicability in writing. Our General Terms and Conditions shall also apply if we carry out the delivery with knowledge of deviating general terms and conditions of our customer.

Art. 2 Offers, Documents

1. Our offers shall be subject to confirmation.
2. We shall reserve the right to title and copyright with respect to illustrations and drawings, calculations and other data and documents; they shall not be made available to third parties. This shall especially apply to such data and documents marked as confidential; prior to passing them on to third parties the customer shall obtain our explicit consent.
3. Documents, such as for example models, brochures, catalogues, pictures, drawings, indications of weights and measurements shall only be approximate unless explicitly declared in writing as binding.

Art. 3 Prices, Conditions of Payment, Prior Notification in SEPA Procedures, Acceleration, Right of Withdrawal, Delay, Right of Retention, Offsetting, Counter-Claims

1. Unless otherwise agreed the prices shall apply ex headquarters Holzmaden, excluding freight, insurance, customs duties, agreed installation, foreign taxes etc., including the respective applicable value added tax.
2. If a payment is agreed upon or permissible via the SEPA Company Direct Debiting Procedure, it shall be agreed that we have the right to inform our customers as debtors until one day prior to the due date of the collection date and the collection amount (shortening of the period for pre-notification).
3. Unless otherwise agreed the price list valid on the day of the order shall be applicable.
4. In the case of agreed debit or direct debit authorization debiting shall be effected within 2 days subsequent to invoicing. Payment orders, cheques or bills of exchange shall only be accepted after special agreement and always only on account of performance. The costs for discounting and collection shall be borne by the customer.
5. Should the customer be in default with at least two instalments regarding partial payments we shall have the right to accelerate the entire claim also if cheques or bills of exchange were accepted. In such case, the papers shall be returned for prompt payment.

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6. Should the customer's payment not be received at the latest upon expiry of the period set after the delay occurred we shall have the right to withdraw from the contract and to require from the customer a lump-sum in the amount of 10% of the due net invoice amount. The customer shall explicitly be granted proof that no damage or decrease in value or a substantially lower one occurred than the lump sum. Should the proof be successful the claim shall be restricted to the established damage or withdrawn if evidently no damage occurred. The amount of the lump-sum compensation shall especially consider the circumstance that the products purchased are products subject to quick development and price decline. Thus, even short delays result in high damages. Furthermore, in the case of a failed contract, a very high administrative effort is incurred as a result that the contractual goods must regularly be sold as separates and the effort connected hereto for documentation and allocation is very high.
7. Should after the conclusion of the contract a substantial deterioration or change occur with respect to the financial circumstances of the customer due to which our claim for consideration is jeopardized, or if such situation at the customer was already the case at the time of concluding the contract but only became known afterwards, we can refuse our fulfilment of our performance until the consideration is accomplished. This shall especially apply to cases of unsuccessful compulsory enforcement measures, bill or cheque protests, private insolvency petitions, moratorium attempts, liquidation or similar. In such cases, we can set the customer a term for effecting the consideration or providing security. If the consideration or bail is not effected, we shall have the right to withdraw from the contract.
8. Our claims can only be offset against recognized or legally valid claims. Counter-claims shall be excluded. The customer shall only be entitled to assert a right of retention if and to the extent that the customer's claim is based on the same contractual relationship.
9. Should we have own claims vis-à-vis the customer – irrespective of the legal basis – we shall have a right of retention vis-à-vis this customer until full payment of our claims by the customer.

Art. 4 Release from Obligation to Perform, Period of Delivery, Partial Delivery, Right of Withdrawal

1. Supplies and raw materials being available in a correct, timely manner remains reserved, unless we have given a guarantee of successful performance.
2. The start of the delivery period determined by us requires the timely receipt of all documents and information to be delivered by the customer, as well as the clarification of all details of the contract, especially of all technical issues. Partial deliveries shall be permissible if reasonable for the customer.
3. We shall not be responsible for delivery delays due to force majeure or other circumstances through no fault of our own, especially traffic and operational disruptions we are not responsible for, strikes, lockouts, shortage of raw materials, or war, if we did not assume any warranty with respect to the successful performance. Should we not be able to deliver within the agreed delivery time, the delivery period shall be prolonged accordingly. Should there be a delivery obstacle exceeding the extended delivery period, we shall have the right to withdraw from the contract.

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4. Should we not be able to comply with the agreed delivery period the customer shall be obliged to declare at our request within an adequate period whether the customer still insists on the delivery. Should the customer not declare itself we shall have the right to withdraw from the contract or to cancel the contract after the expiry of an adequate period.

Art. 5 Transfer of Risk, Delivery

1. Unless otherwise specified in the order confirmation, supply "ex headquarters Holzmaden" shall be agreed upon. The dispatch shall always be carried out at the customer's risk also in the case of delivery from another than the place of performance and also in the case of carriage-free delivery and/or delivery through own personnel or vehicles.
2. Should delivery through us be agreed in order to guarantee a smooth unloading from the customer, competent personnel and possibly necessary technical equipment (e.g. forklift) shall be provided in time. It is assumed that the vehicle can directly approach the unloading area and be immediately unloaded. Should this not be the case additional costs incurred shall be charged separately.

Art. 6 Claims for Defect

1. The customer shall, as far as feasible in compliance with duly business routines, inspect the delivered goods immediately, however at the latest within one week from the day of delivery. Should there be a defect we shall be informed immediately, however at the latest within one week of the day of delivery. Should the customer neglect to notify us, the goods shall be considered as approved unless a defect is concerned that was not recognizable upon inspection. Should such a defect occur later, notification shall be made immediately after discovering the defect; otherwise the goods shall also be considered as approved regardless of the defect. Articles 377 and 381 of the German Commercial Code (HGB) shall remain unaffected. The customer shall also not be discharged from its liability of inspection in the case of recourse of the company in compliance with Art. 478 of the German Civil Code (BGB). Should in such cases the customer not notify the claimed defect immediately the goods shall also be considered as approved regardless of the defect.
2. In the case of supplementary performance with respect to defects we shall only be liable to bear the necessary costs, especially transport, journey, labour and material costs, as these are not increased by the fact that the items were transferred to another location than the customer's headquarters or the commercial place of business. This subparagraph shall not apply in the case of recourse in compliance with Art. 478 of the German Civil Code.
3. The claim for defects by the customer including claims for damages shall be subject to a limitation period of one year from the delivery of the item. This shall not apply in the case of recourse pursuant to Art. 478 of the German Civil Code, and shall also not apply in the cases of Art. 438 Para. 1 Subpara. 2 of the German Civil Code, as well as Art. 634a Para. 1 Subpara. 2 of the German Civil Code. This shall also not apply to claims for damages due to damages to life, body or health or due to a grossly negligent or intentional violation of duty by us or our vicarious agents.

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Art. 7 Liability towards Indemnification and Reimbursement of Expenses

1. Claims for damages and reimbursement of expenses of the customer (hereinafter referred to as “claims for damages”) irrespective of the legal cause, especially due to the violation of duties arising from the obligatory relation and from tortious acts, shall be excluded.
2. This shall not apply:
 - a. if we fraudulently concealed a legal or material defect.
 - b. if we assumed a warranty for the quality of our goods or a performance success and the warranty case occurred.
 - c. with respect to existing claims in compliance with the Product Liability Act.
 - d. in cases of intent, gross negligence, damage to life, body or health and in all cases of violation of substantial contractual obligations. The claim for damages for the violation of substantial contractual obligations shall, however, be restricted to the predictable damage typical for the contract unless it is deliberate intention or gross negligence or liability due to damages to life, body or health.
3. If our liability is excluded or restricted this shall also apply to the personal liability of our workers, employees, colleagues, representatives and vicarious agents.
4. A change of the burden of proof to the detriment of the customer shall not be connected to the above specified regulations.

Art. 8 Supplementary and Deviating Provisions in the Case of International Contracts

1. If the customer has its headquarters outside the Federal Republic of Germany, the following provisions shall apply in addition to Art. 1 to 7 and 9:
 - a. We shall not assume liability for the admissibility of the use of the delivered item implied by the contract pursuant to the regulations of the recipient country. We shall also not be liable for taxes and charges payable in that country.
 - b. We shall not be liable for delivery obstacles triggered by regulatory actions, especially import or export restrictions.
2. Should the customer have its subsidiary outside the Federal Republic of Germany and should the UN Convention on Contracts for the International Sale of Goods (CISG) be applicable in its latest version, the following regulations shall also apply:
 - a. Changes or cancellations of a contract shall be made in writing,
 - b. Instead of Art. 6 and 7, the following shall apply:
 - I. We shall only be liable vis-à-vis the customer for compensation pursuant to the legal provisions if a violation of the contract is due to an intentional or grossly negligent violation of the contract by us, our representatives or vicarious agents. We shall also be liable pursuant to the legal provisions if we violate a substantial contractual obligation. The aforementioned limitation of liability shall not apply to existing claims in compliance with Art. 1, 4 of the German Product Liability Act or regarding claims due to damages caused by the goods to life or body of persons.
 - II. If delivered items are in violation of a contract, the customer shall only have the right to cancel the contract or to replacement if claims for damages vis-à-vis us

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are excluded or it is unacceptable for the customer to use the goods which are in violation of the contract and claim the remaining damage. In such cases, we shall first be entitled to remove the defect. Should the removal of the defect fail and/or should it result in an unacceptable delay the customer shall at its discretion have the right to declare annulment of the contract or require replacement. The customer shall also have the right to do so if remedying the defect should cause an unacceptable inconvenience or uncertainty about the reimbursement of possible expenses of the customer.

- III. The claims for defects shall become statute-barred within one year from the delivery of the item.

Art. 9 Reservation of Title

1. We shall retain title regarding the delivered goods until receipt of all payments arising from the contract. In the case of collection of the claim by us through an agreed direct debiting procedure we shall reserve title regarding the goods until the customer can no longer object to the collection of the claim.
2. In the case of attachment or other interventions by third parties the customer shall immediately inform us in writing in order to protect our rights (e.g. suit pursuant to Art. 771 of the German Code of Civil Procedure). If the third party is not in the position to reimburse us the judicial and extrajudicial costs of a lawsuit in compliance with Art. 771 of the German Code of Civil Procedure, the customer shall be liable for the loss incurred.
3. In the case of us collecting the claim via an agreed direct debiting procedure, the customer shall not have the right to resell and use the goods as long as the customer can still object the collection of the claim. Otherwise, especially in the case of the customer waiving its right of objection regarding the collection of the claim via direct debiting, the customer shall have the right to resell and use the goods within regular business routine; the customer shall, however, transfer all claims arising from the resale vis-à-vis the customer's buyers or third parties in the amount of the goods subject to retention of title, irrespective of whether the delivered goods are resold without or after further processing. The total invoice amount (including VAT) shall be considered as the value of the goods subject to retention of title. If the resold goods subject to retention of title are in our joint property, the transfer of the claims shall refer to the amount corresponding to our portion of the title. We shall assume the transfer. The customer shall not have the right to other sales of the goods, especially pledging or transfer by way of security.
4. The customer shall also remain authorized to collect the claim from the resale after the transfer until revocation. Our authorization to collect the claim ourselves shall remain unaffected. We undertake however not to collect the claim and not to revoke the direct debit authorisation of the customer as long as the customer fulfils its payment obligations from the collected receipts, is not in arrears, no insolvency proceedings have been initiated or there is no suspension of payment. Should this, however, be the case we can require that the customer informs us about the transferred claims and their debtor, provides all details necessary for collection, hands over the respective documents and informs its debtor of the assignment.
5. We shall undertake to release the securities due to us at the customer's request insofar as the realisable value of our securities exceeds the claims to be secured by more than 10% or

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the nominal amount by more than 50%; selection of the securities to be released shall be our responsibility.

Art. 10 Applicable Law, Place of Performance, Jurisdiction

1. This Contract shall be subject to the law of the Federal Republic of Germany.
2. 73271 Holzmaden shall serve as place of performance for all performances from this contract.
3. Regarding contracts with entrepreneurs, legal persons under public law or special funds under public law and with foreigners without domestic jurisdiction, 73271 Holzmaden shall serve as jurisdiction. However, we shall remain entitled to file a suit at the headquarters of the customer.

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