

General Terms and Conditions for Sales and Deliveries of PR-Tronik GmbH

– As of: October 2007 –

§ 1 General Provisions - Scope of Application

- 1.1 These General Terms and Conditions apply to all business transactions between PR-Tronik GmbH (Seller) and the Purchaser, even if not referred to in subsequent contracts. They apply correspondingly to works and services. Terms and conditions of the Purchaser that conflict with, supplement or deviate from the present General Terms and Conditions do not become part of the contract unless the Seller has given its express written consent to their applicability.
- 1.2. These General Terms and Conditions apply even if the Seller, while being aware of conflicting or deviating terms and conditions, carries out the delivery without reservations, or if the Seller does not enclose these General Terms and Conditions in future transactions in the particular case. Arrangements that are made in addition to or that deviate from these General Terms and Conditions and that are agreed upon between the Seller and the Purchaser for the performance of a contract must be set forth in writing in the contract. This rule also applies to a waiver of the present writing requirement. Rights beyond the scope of the present General Terms and Conditions to which the Seller is entitled under the statutory provisions remain unaffected.

§ 2 Offer and Conclusion of Contract

- 2.1 All offers of the Seller are subject to confirmation and non-binding unless they are expressly stated to be binding.
- 2.2 Orders of the Purchaser contain binding offers. The contract comes about with the written confirmation of the order by the Seller or, if the order is immediately carried out, with the shipment of the ordered goods at the final invoice price stated. If the Purchaser has objections to the contents of the confirmation of the order or to the goods sent, the Purchaser must object to the same without undue delay. Otherwise, the contract comes about in accordance with, and with the contents set forth in, the confirmation of the order.

§ 3 Product Specification

- 3.1 If the contract concerns delivery items that are subject to technological change, the Seller is entitled to carry out the delivery in accordance with the manufacturer's most recent data sheet, as amended from time to time. If the Purchaser is interested exclusively in the type ordered and this type may under no circumstances be deviated from, the Purchaser is under obligation to advise the Seller accordingly.
- 3.2 Information about the goods distributed by the Seller – especially information contained in brochures, type lists, catalogs, data sheets, advertising material, specifications and descriptions, definitions of the requirements to be met by the goods (*Pflichtenhefte*) and other technical supply conditions, certificates (e.g., certificate of compliance) and other documents – constitutes no guarantee of the Seller as to the quality and state (*Beschaffenheit*) or durability of the goods. Even when the delivery of as yet unascertained goods is owed, the Seller assumes no procurement risk unless there is an express written agreement to this effect.
- 3.3 Samples of the goods distributed by the Seller are deemed test samples and do not constitute a guarantee as to the quality and state of the goods, either, without an express written agreement to this effect. The applicable tolerances must be complied with.
- 3.4 As statistical means, data from the manufacturer concerning the reliability of the goods supplied serve exclusively orientation purposes and do not relate to individual deliveries or lots.

§ 4 Release Orders

- 4.1 Within the framework of release orders, the Purchaser must issue the release 8 weeks before the requested delivery date, at the latest, unless otherwise agreed upon.
- 4.2 Unless otherwise agreed, the Purchaser must issue a release within a period of 12 months from the day the order has been confirmed, at the latest. After a reasonable additional period of time has expired, the Seller is entitled to deliver the goods and issue an invoice or to rescind the contract or, if the Purchaser has acted in a culpable manner, to claim damages in lieu of performance. The Seller is further entitled to charge the price applicable to the quantities actually released by the Purchaser.

§ 5 Prices / Adjustment of Prices

- 5.1 The relevant prices are the prices stated in the Seller's confirmation of the order. The prices are ex works. In particular, they do not include the cost of packaging, freight, insurance, customs and VAT. Statutory VAT will be stated separately in the invoice, at the statutory rate applicable on the day the invoice is issued.
- 5.2 The Seller is entitled to charge the following handling charges for small orders: for an order value of less than € 75.00, a handling charge of € 25.00; for an order value of between € 75.00 and € 150.00, a handling charge of € 10.00.
- 5.3 To the extent that between the conclusion of the contract and the performance of the order, there is a decrease or increase in costs for which the Seller is not responsible and which was not foreseeable by the Seller, especially a decrease or increase that is based on changes in the prices of material, the Seller has the right to adjust the prices within the limits of the changed circumstances and without charging an additional profit. If the increase exceeds 10% of the price agreed upon, the Purchaser is entitled to withdraw from the contract (termination or rescission).
- 5.4 Especially in the event of an allocation and a related increase in procurement costs, the Seller is entitled to reasonably raise the prices in proportion to the average increase in market prices with respect to goods that are to be delivered at minimum two months after the conclusion of the contract.

§ 6 Terms of Payment

- 6.1 To the extent not otherwise agreed upon in writing, all invoices of the Seller must be paid forthwith, without any deduction whatsoever.
- 6.2 Bills of exchange and checks are accepted only on the basis of an express agreement in writing, and only on behalf of payment. Discount charges and other costs in respect of a bill of exchange or a check must be borne by the Purchaser. The Seller's rights under Section 10 below remain unaffected until all claims under bills of exchange have been settled in full.
- 6.3 The Seller is entitled to count payments from the Purchaser towards the Purchaser's oldest debt first. If costs and interest have already accrued, the Seller is entitled to count the payment towards the costs first, then towards interest, and finally towards the principal claim.

§ 7 Setoff and Retention

- Counterclaims do not entitle the Purchaser to a setoff unless they have been confirmed in a final declaratory judgment or are undisputed. The assertion of a right of retention by the Purchaser is only permissible if the counterclaim is based on the same contractual relationship.

§ 8 Time and Scope of Delivery, Reservation of Timely Supply to the Seller, Delay in Delivery

- 8.1 Agreements on delivery periods and delivery dates must be made in writing. Delivery periods and delivery dates are not binding to the extent they are not expressly stated to be binding. The delivery period begins to run with the dispatch of the confirmation of the order by the Seller; it does not begin to run, however, until such time as the Purchaser has furnished all documents, permits and releases to be obtained by the Purchaser, as all questions have been clarified, and as the agreed-upon down-payment, if any, has been received. In order for the delivery period or the de-livery date to be observed, the Purchaser must timely and properly fulfill all of its other obligations. The delivery period is deemed complied with if the goods have left the works at its expiration or if the Seller has given notice of the goods being ready for dispatch. Compliance with agreed upon delivery periods and delivery dates is subject to the condition that the Seller is timely and properly supplied by its own suppliers.
- 8.2 Part deliveries are permissible. The Seller reserves the right to make excess or short deliveries of up to 5% of the quantity to be delivered for production-related technical reasons. There will be no refund for short deliveries.
- 8.3 The Purchaser is entitled to rescind the contract if the Seller is in delay with delivery and if, upon occurrence of the delay, the Purchaser has set a reasonable additional period of time for subsequent performance by the Seller, also stating that it will refuse acceptance thereafter, and this additional period of time has expired to no avail.

§ 9 Passing of Risk / Dispatch

- 9.1 The risk of an accidental loss or deterioration of the goods passes to the Purchaser with the delivery of the goods or, if the goods are shipped, with their delivery to the carrier or to any other person commissioned with carrying out the shipment. This rule also applies when part deliveries are made or when shipment "freight paid" or at no cost to the Purchaser has been agreed upon. In the absence of written instructions from the Purchaser, the Seller will choose the carrier and the itinerary. At the request and expense of the Purchaser, the Seller will take out a transport insurance policy to insure the goods against the risks specified by the Purchaser.
- 9.2 If there is a delay in shipment for reasons for which the Purchaser is responsible, the risk passes to the Purchaser from the day the Seller is ready to dispatch the goods.
- 9.3 If the Seller chooses the manner of shipment, the itinerary, or the person to carry out the shipment, the Seller is liable solely for willful misconduct and gross negligence in this choice.

§ 10 Retention of Title

- 10.1 Title to the goods supplied shall remain vested in the Seller until all claims of the Seller against the Purchaser that arise from the business relationship have been settled in full. These claims also include claims under checks and bills of exchange, as well as current-account claims. If the Seller becomes liable under a bill of exchange in connection with payment, the retention of title does not expire until such time as an assertion of claims against the Seller under the bill of exchange is excluded. The Purchaser is under obligation to handle the goods that are subject to this retention-of-title clause with due care for the duration of the retention of title. In particular, the Purchaser is obligated to sufficiently insure the goods at the Purchaser's own expense against damage by fire, water, and theft at their replacement value. The Purchaser assigns to the Seller already now all claims for compensation under this insurance. The Seller hereby accepts the assignment. If an assignment is not admissible, the Purchaser hereby irrevocably instructs its insurer to make payments, if any, solely to the Seller. Further-reaching claims of the Seller remain unaffected. Upon request, the Purchaser must provide the Seller with evidence of the conclusion of the insurance contract.
- 10.2 The Purchaser may sell the goods that are subject to this retention-of-title clause only within the framework of the ordinary course of business. The Purchaser is not entitled to pledge the goods that are subject to this retention-of-title clause or to assign them by way of security or to make any other disposition which jeopardizes the ownership of the Seller. In the event of attachments or other encroachments by third parties, the Purchaser must notify the Seller without undue delay in writing and furnish all necessary information; additionally, the Purchaser must inform the third party of the Seller's property rights and assist with the measures taken by the Seller for the protection of the goods that are subject to this retention-of-title clause. The Purchaser bears all costs for which it is responsible and which are necessary for the removal of the encroachment and the recovery of the goods, to the extent that these costs cannot be obtained from the third party.
- 10.3 The Purchaser assigns to the Seller already now the claims arising from the resale of the goods with all ancillary rights, regardless of whether the goods that are subject to this retention-of-title clause are resold without or after further processing. The Seller accepts this assignment already now. If an assignment is not permissible, the Purchaser hereby irrevocably instructs the third-party debtor to make payments, if any, solely to the Seller. Subject to revocation, the Purchaser is authorized to collect the claims that have been assigned to the Seller on a trust basis on behalf of the Seller. All amounts collected must forthwith be remitted to the Seller. The Seller may revoke the authorization of the Purchaser to collect these claims, as well as the Purchaser's authority to resell, if the Purchaser fails to properly fulfill its obligations to pay in relation to the Seller, if the Purchaser is in arrears with payment or stops payment, or if an application for the institution of insolvency proceedings against the assets of the Purchaser is filed. Any resale of these claims is subject to prior approval by the Seller. With the notification of the assignment to the third-party debtor, the Purchaser's authority to collect expires. In the event of a revocation of the authority to collect, the Seller may require the Purchaser to disclose all claims assigned, as well as the respective debtors, to provide all information necessary for collection, to furnish the related documents, and to inform the debtors of the assignment.
- 10.4 In the event of default of payment on the part of the Purchaser, the Seller is entitled to rescind the contract without prejudice to its other rights. The Purchaser must immediately grant the Seller, or any third party commissioned by the Seller, access to the goods that are subject to this retention-of-title clause and must surrender these goods. After a timely warning to such effect, the Seller may otherwise dispose of the goods that are subject to this retention-of-title clause for the purpose of satisfying its due claims against the Purchaser.
- 10.5 Any processing or transformation of the goods that are subject to this retention-of-title clause by the Purchaser shall take place on behalf of the Seller. The Purchaser's right to acquire the goods that are subject to this retention-of-title clause continues in respect of the processed or transformed item. If the goods are processed, combined or mixed with other goods that are not owned by the Seller, the Seller acquires co-ownership of the new item in proportion to the ratio of the value of the goods delivered to the value of the other goods processed at the time of processing. The Purchaser shall store the new goods on behalf of the Seller. In all other respects, the item created through processing or transformation shall be governed by the same provisions as the goods that are subject to this retention-of-title clause.

- 10.6 At the request of the Purchaser, the Seller is obligated to release the security interests to which the Seller is entitled to the extent that the realizable value of such security exceeds the Seller's claims arising from the business relationship with the Purchaser by more than 20%, also taking into account the valuation discounts customary in banking. For valuation purposes, goods that are subject to this retention-of-title clause are to be assessed on the basis of their invoice value, and claims are to be assessed on the basis of their nominal value.
- 10.7 If goods are delivered to destinations with other legal systems in which the retention-of-title rules set forth under nos. 10.1 to 10.6 above provide less security than in the Federal Republic of Germany, the Purchaser hereby grants the Seller a corresponding security interest. If further declarations or acts are necessary for this purpose, the Purchaser will make these declarations and perform these acts. The Purchaser will assist in all measures that are necessary for and conducive to the validity and enforceability of such security interests.

§ 11 Claims based on Defects, Restriction on Use, Liability

- 11.1 The Seller warrants that the goods supplied have the characteristics that have been specified in writing – in verifiable technical parameters – by the manufacturer or by mutual agreement. The goods supplied are intended solely for the purposes specified by the respective manufacturer. These purposes do not normally include the use of the goods in life-saving or life-supporting or military systems or other purposes where a failure of the product can, upon reasonable assessment, lead to death, bodily injury or damage to health or to an extraordinarily high financial loss. Only the specifications in the relevant manufacturers' data sheets shall be deemed an agreed quality or state (*Beschaffenheit*), as defined in Sec. 434 BGB (German Civil Code). Exclusively the Purchaser is responsible for the fitness and safety of the goods for the applications used by the Purchaser. The Seller gives no guarantee, especially no guarantee in respect of the quality and state or durability of the goods.
- 11.2 If the Seller processes the goods to be supplied by order of the Purchaser (e.g., if the Seller bends or cuts, de-reels or rewinds connections), the provisions under no. 11.1 above apply correspondingly. In this case, the Seller undertakes to process the goods with due care in accordance with the Purchaser's specifications, as agreed upon in writing, without liability for the possible effects of such processing on the functioning of the product.
- 11.3 As a prerequisite for the Purchaser's rights based on defects, the Purchaser must examine the goods delivered upon receipt and must report defects to the Seller in writing without undue delay, however no later than two weeks after the receipt of the goods. Hidden defects must be reported to the Seller in writing without undue delay after their discovery. When reporting defects to the Seller, the Purchaser must describe the defects in writing. The Purchaser is obligated to send the goods at its own expense to the Seller for an examination of defects. The Purchaser is under obligation to have the carrier take the indicated measures to ensure complete documentation.
- 11.4 If the Seller delivers the goods in lots that allow a statistical receiving quality inspection according to the rules customary in this respect, at least this inspection must be performed as receiving inspection. The inspection must be carried out in accordance with the inspection conditions and criteria set forth in the relevant standard documents. Any lot accepted during this inspection will be deemed free of defects, and any lot rejected will be replaced by the Seller with a lot that is free of defects subject to the return of the defective lot in its entirety. The Seller may instead replace the defective parts of the rejected lot with parts that are free of defects upon consultation with the Purchaser.
- 11.5 If goods are defective, the Seller is entitled to subsequently perform the contract by remedying the defect or, at its choice, by delivering goods that are free of defects. In the event that the defect is remedied, the Seller is under obligation to bear all expenses that must be made for purposes of remedying the defect, in particular, the cost of transportation, travelling expenses, the cost of labor and the cost of material, to the extent that there is no increase in these costs and expenses due to the fact that the goods have been brought to a place other than the delivery address. The cost of personnel and material claimed by the Purchaser in this respect is to be determined on a primary-cost basis (*Selbstkostenbasis*).
- 11.6 If the Seller is not willing or is not in a position to subsequently perform, the Purchaser may rescind the contract or, at its choice, reduce the delivery price. The same rule applies if subsequent performance fails, if the Purchaser cannot reasonably be expected to accept subsequent performance, or if subsequent performance is unreasonably delayed for reasons for which the Seller is responsible.
- 11.7 The Purchaser's right to rescind the contract is excluded if the Purchaser is not able to return the goods received unless this inability is due to the fact that a return is impossible according to the nature of the goods received, the Seller is responsible for such inability, or the defect has only become apparent when processing or transforming the goods. The right to rescind the contract is further excluded if the Seller is not responsible for the defect or if the Seller has delivered custom-made goods.
- 11.8 Defects which occur as a consequence of natural wear and tear, of improper handling or of alterations or repairs of the goods carried out improperly by the Purchaser or a third party do not give rise to claims based on defects. The same rule applies to defects that are attributable to the Purchaser or to a cause other than the original defect.
- 11.9 Claims of the Purchaser for reimbursement of expenses instead of damages in lieu of performance are excluded to the extent that a reasonable third party would not have made the relevant expenses.
- 11.10 The Purchaser may return defective goods to the Seller for subsequent performance only upon prior approval in writing according to the Seller's rules applicable for this purpose (RMA procedure). The risk of an accidental loss or deterioration of the goods does not pass until they have been accepted by the Seller at the Seller's place of business. The Seller is entitled to refuse return shipments without a previously issued RMA number.
- 11.11 The Seller has unlimited liability for damage or losses arising from a breach of guarantee or from death, bodily injury or damage to health. This rule also applies to cases of willful misconduct and gross negligence. The Seller is liable for slight negligence only in the event of a violation of essential duties that result from the nature of the contract and that are of particular importance for achieving the purpose of the contract. Essential contractual obligations of the Seller particularly include delivery in accordance with the quality and state agreed upon (no. 11.1 above), appropriate storage, and proper transportation. In the event of a violation of such obligations, de-fault, or impossible performance, the Seller's liability is limited to such damage as must typically be expected within the framework of the contract. The Seller's mandatory statutory liability for product defects remains unaffected.
- 11.12 The limitation period for the Purchaser's claims based on defects is one year unless the defective goods have been used for a building in accordance with their normal manner of use and have caused this building to be defective. This limitation period also applies to claims in tort that are based on a defect of the goods. The limitation

period begins to run with the delivery of the goods. The Seller's unlimited liability for damage or losses resulting from a breach of guarantee or from death, bodily injury or damage to health, for willful misconduct and gross negligence and for product defects remains unaffected. If the Seller comments on a claim based on defects that has been asserted by the Purchaser, this comment is not to be deemed a commencement of negotiations concerning the claim or the circumstances giving rise to the claim if the claim based on defects is fully rejected.

§ 12 Product Liability

- 12.1 The Purchaser may not modify the goods. In particular, the Purchaser may not modify or remove existing warnings about risks resulting from improper use of the goods. If this duty is violated, the Purchaser must internally indemnify and hold the Seller harmless from and against product liability claims of third parties to the extent that the Purchaser is responsible for the defect giving rise to liability.
- 12.2 If a product defect of the goods causes the Seller to make a product recall or to issue a product warning, the Purchaser shall assist the Seller and shall take all measures which have been ordered by the Seller and which the Purchaser can reasonably be expected to perform. The Purchaser is under obligation to bear the cost of the product recall or product warning to the extent that the Purchaser is responsible for the product defect and the damage sustained. Further-reaching claims of the Seller remain unaffected.
- 12.3 The Purchaser shall inform the Seller without undue delay of any risks in the use of the goods and possible product defects of which the Purchaser becomes aware.

§ 13 Force Majeure

- 13.1 If an event of force majeure prevents the Seller from performing its contractual obligations, in particular, from delivering the goods, the Seller is released from its obligation to perform for the duration of the impediment and a reasonable start-up period without being liable to the Purchaser for damages. The same rule applies if the performance of its obligations by the Seller is unreasonably complicated by, or becomes temporarily impossible due to, unforeseeable circumstances for which the Seller is not responsible, especially industrial action, official acts, energy shortage, impediments to delivery on the part of a supplier, or significant disruptions of operations.
- 13.2 The Seller is entitled to rescind the contract if such an impediment continues for more than four months and the performance of the contract is no longer of interest to the Seller due to the impediment. At the request of the Purchaser, the Seller will declare after the expiration of this period of time whether it will make use of its right to rescind the contract or whether it will deliver the goods within a reasonable period of time.

§ 14 Industrial Property Rights and Copyrights

- 14.1 If a delivery comprises software or other intellectual property, such software or other intellectual property will be provided to the Purchaser subject to a copyright and user license, the terms and conditions of which can be gathered from the license agreement accompanying the software or other intellectual property. The present General Terms and Conditions grant no rights or license to use such software or other intellectual property in any manner, or for any purpose, not expressly permitted in the license agreement.
- 14.2 Unless otherwise agreed, the Seller is obligated to carry out the delivery free of industrial property rights and copyrights of third parties (property rights) only in the country where the place of delivery is located.

§ 15 Manufacturer Reporting, Data Protection

- 15.1 The Purchaser agrees to the processing and transmission to manufacturers/suppliers – as the case may be, also abroad – of purchaser-related data such as sales prices and quantities, as well as names and addresses, by the Seller within the framework of the periodical manufacturer reporting.
- 15.2 The Purchaser agrees to the storing and processing of the collected purchaser-related data by the Seller for the verification of the Purchaser's creditworthiness subject to observance of, and compliance with, the statutory provisions, or to such data being disclosed by the Seller to the credit insurance company commissioned by the Seller.

§ 16 Export, Export Control

- 16.1 The goods supplied are intended to remain in the country of delivery agreed upon with the Purchaser. The Purchaser may not export consignments of goods that are subject to embargo provisions.
- 16.2 The goods supplied are particularly subject to German, European and American export controls and embargo provisions. It is the Purchaser's responsibility to inform itself of the relevant export and/or import provisions or restrictions and to obtain according permits, if necessary.
- 16.3 The Purchaser will impose the same obligation on its customers.

§ 17 Final Provisions

- 17.1 Any transfer of rights and obligations of the Purchaser to a third party is subject to written approval by the Seller.
- 17.2 Place of jurisdiction for all disputes arising from the business relationship between the Seller and the Purchaser is the statutory seat of the Seller. The Seller is additionally entitled to bring an action at the statutory seat of the Purchaser, as well as at any other permissible place of jurisdiction.
- 17.3 The legal relations between the Seller and the Purchaser shall be governed by the laws of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 17.4 If any provision in these General Terms and Conditions is or becomes invalid or impracticable in whole or in part, or if these General Terms and Conditions contain a gap, this shall not affect the validity of the remaining provisions hereof. The invalid or impracticable provision shall be deemed replaced with such valid or practicable provision as comes closest to the purpose of the invalid or impracticable provision. In the case of a gap, such provision shall be deemed agreed upon as corresponds to what would have been agreed upon according to the purpose of these General Terms and Conditions if the contracting parties had contemplated the matter from the beginning.

General Purchase Conditions (GPC)

of PR-Tronik GmbH (as per: January 2010)

Section 1

Scope of Application

- 1.1 These General Purchase Conditions ("GPC") apply to all business transactions (deliveries and services) between PR-Tronik GmbH ("PR-Tronik") and the supplier, even in the absence of an express reference to these GPC. Terms and conditions of the supplier which conflict with, supplement the scope of or deviate from these GPC do not become part of the contract unless PR-Tronik has expressly agreed to their application in writing. The present General Purchase Conditions apply even if PR-Tronik accepts the supplier's delivery without reservations while being aware of the supplier's conflicting or deviating terms and conditions.
- 1.2 Rights beyond the scope of these General Purchase Conditions to which PR-Tronik is entitled according to the statutory provisions remain unaffected.

Section 2

Conclusion of Contract and Changes to the Contract

- 2.1 A request for a quote submitted to the supplier by PR-Tronik or any person acting on behalf of PR-Tronik does not include an assumption by PR-Tronik of the cost of preparing the quote. The supplier may demand to be paid for preparing the quote only if it has made a written arrangement to this effect with PR-Tronik in advance. The supplier shall keep its quote as close as possible to PR-Tronik's request. If deviations from PR-Tronik's request cannot be avoided, this must expressly be pointed out to PR-Tronik by the supplier in writing.
- 2.2 Unless a different period of time has been stipulated by the supplier, the supplier's quote shall be binding upon it for a period of 60 days.
- 2.3 Orders do not become binding until after they have been placed by PR-Tronik in writing or, in the case of orders placed verbally, by telephone or with the use of other means of telecommunication, after they have been confirmed in writing. Orders which have been generated with the use of automatic devices and contain no signature and name shall be deemed written orders. PR-Tronik's failure to reply to quotes, requests or other declarations of the supplier shall be deemed consent only where this has expressly been agreed upon in writing. To the extent that orders contain obvious mistakes or orthographic or arithmetic errors, they shall not be binding upon PR-Tronik.
- 2.4 The supplier is obliged to notify PR-Tronik in writing before the conclusion of the contract if the ordered goods are subject to export controls or to other restrictions on marketability according to the regulations applicable in the Federal Republic of Germany. Otherwise, PR-Tronik will be entitled to withdraw from the contract without first fixing a deadline for performance and without having regard to whether or not there has been fault on the part of the supplier. This does not affect further claims of PR-Tronik.
- 2.5 The supplier shall issue to PR-Tronik without undue delay, but no later than one week after the receipt of the order, a written confirmation of the order in which the price and the delivery date are expressly stated. If the confirmation of the order deviates from the order, the deviations will be deemed agreed upon only if and when they are expressly confirmed by PR-Tronik in writing.
- 2.6 PR-Tronik will be entitled to change the order. The supplier must advise PR-Tronik in writing of the consequences of any desired change to the order (e.g., increase in costs or deterioration in quality). The supplier may not implement changes until after PR-Tronik has given its written consent to the consequences of the desired change.
- 2.7 If the supplier discovers during the performance of a contract that deviations from the originally agreed specifications are necessary or advantageous, it must so advise PR-Tronik without undue delay and submit change proposals. PR-Tronik will inform the supplier of whether it wishes the supplier to make changes to the original order and if so, what changes. If, as a result of these changes, there is a change in the cost incurred by the supplier for the performance of the order, both PR-Tronik and the supplier shall be entitled to demand an according adjustment of the agreed prices.
- 2.8 Confirmations of orders, notices of dispatch, waybills, delivery notes, invoices and other correspondence from the supplier must state, in particular, the order number, order date and supplier number.

Section 3

Prices, Payment, Assignment

- 3.1 The prices stated in the order are binding and inclusive of freight, insurance, packaging and all other additional charges free to the place of delivery specified by PR-Tronik. Increases in prices, made for whatever reason, will be recognized by PR-Tronik even in the case of long-term supply contracts only if an according agreement has been entered into in writing in this respect. Statutory value-added tax is included in the price unless the price has expressly been designated as a net price.
- 3.2 Invoices must be issued without undue delay upon dispatch of the goods and for each order separately and must state the order number and the tax number; value-added tax is to be stated separately in the invoice. Invoices not issued in due form will not be deemed issued.
- 3.3 Payment by PR-Tronik will occur upon acceptance of the goods and receipt of the invoice within 14 days with a deduction of a 3% discount, or within 30 days net.
- 3.4 If a consignment is deficient, PR-Tronik will be entitled to withhold payment until the order has been properly performed without forfeiting its right to rebates, discounts or similar price reductions. The period allowed for payment commences as soon as all defects have been entirely remedied. If the goods are delivered early, the period allowed for payment does not commence until the agreed delivery date. To the extent that the supplier is obliged to supply materials tests, inspection reports, quality documents or other documents along with the goods, the receipt of these documents will be a requirement for acceptance of the goods by PR-Tronik.
- 3.5 If PR-Tronik defaults on its obligation to pay, the supplier may demand from PR-Tronik default interest of 2% above the basic interest rate applicable from time to time, due regard being had to the current interest situation, unless PR-Tronik can prove that the damage actually sustained by the supplier remains below this amount. The supplier may withdraw from the contract if, after PR-Tronik has defaulted on its obligation to pay, the supplier has set a reasonable additional period of time for payment, also indicating that failure to

pay will result in refusal of acceptance, and this additional period of time has expired without payment by PR-Tronik.

- 3.6 Payments will be made solely to the supplier. Counterclaims of the supplier may be set off by the supplier only if they have been finally established by judgment or otherwise or if they are undisputed. The supplier may assert a right to retain only if its counterclaim is based on the same contract.

Section 4

Delivery, Passing of Risk and Transfer of Title

- 4.1 Deliveries will be free delivery address.
- 4.2 Each consignment must include the complete accompanying documents/ delivery note; additionally, these documents must imperatively state the order number of PR-Tronik. Technical certificates, certifications, inspection reports, acceptance reports, quality test reports and other documents required for the agreed use of the goods must be supplied free of charge along with the goods.
- 4.3 The goods must be delivered in a packaging appropriate to the nature of the goods, regard being had to the means of transportation used and to the general packaging requirements, if any, applicable to these means of transportation. In particular, the goods must be packed in such a manner as to prevent damage in transit. Packaging materials shall be used only to the extent required for this purpose.
- 4.4 The supplier bears the risk of accidental loss or destruction or accidental deterioration of the goods until their acceptance by PR-Tronik. If the supplier is obliged to carry out the set-up or assembly of the goods, the risk will not pass to PR-Tronik until after the goods have been placed in operation.
- 4.5 Title to the goods will be transferred to PR-Tronik directly and free of encumbrances with the handover of the goods.

Section 5

Deadlines and Delay in Delivery

- 5.1 Agreed dates and deadlines are binding and must strictly be met. The decisive point in time in this regard is the receipt of the consignment at PR-Tronik's place of business or at the place of delivery specified by PR-Tronik. Delivery periods commence on the day the order is issued.
- 5.2 As soon as the supplier realizes that there will possibly be a delay in delivery, the supplier must so advise PR-Tronik without undue delay in writing, also stating the reasons for and the probable duration of the delay. This does not affect the binding nature of the agreed delivery date.
- 5.3 Delivery before the agreed delivery date is only permissible with the prior written consent of PR-Tronik. If the delivery is made before the agreed delivery date, PR-Tronik will be entitled to refuse acceptance of the delivery or to store the consignment at the expense of the supplier. Moreover, PR-Tronik will be entitled to refuse acceptance of partial deliveries.
- 5.4 In the event of a delay in delivery, PR-Tronik may withdraw from the contract regardless of whether or not there has been fault on the part of the supplier. If the supplier defaults on its obligation to deliver, PR-Tronik shall be entitled to claim liquidated damages of 0.1% of the order value for each day of default, but not more than 5% of the order value in total. This does not apply in cases of force majeure. PR-Tronik may reserve the right to claim liquidated damages, as required pursuant to Sec. 341 (3) of the German Civil Code ("BGB"), for as long as the delivery or other performance has not been paid for in full. Liquidated damages do not result in an exclusion of the right to assert further claims for damages.
- 5.5 PR-Tronik's claim for delivery will not be excluded until, at PR-Tronik's request, the supplier pays damages in lieu of the delivery. Acceptance of the late delivery does not constitute a waiver of claims for damages.

Section 6

Defects as to Quality and Title

- 6.1 The supplier warrants that the goods supplied are state-of-the-art and in compliance with the applicable legal provisions and with the regulations and guidelines issued by public authorities, employers' liability insurance associations and trade associations, in particular, the German Ordinance on Hazardous Substances (*Gefahrstoffverordnung*), the German Equipment and Product Safety Act (*Geräte- und Produktsicherheitsgesetz*) and the accident-prevention, safety-at-work, environmental and other safety and preventive regulations, also and in particular the German industrial standards ("DIN") and the rules stipulated by the German VDE Association for Electrical, Electronic and Information Technologies. In the event of liability, the supplier will indemnify and hold PR-Tronik harmless from and against all third-party claims asserted against PR-Tronik or its customers for breach of any of these regulations. This does not affect further claims of PR-Tronik against the supplier.
- 6.2 PR-Tronik shall report visible defects to the supplier within 10 working days after acceptance of the goods, and hidden defects within 10 working days from their discovery. In this respect, the supplier waives the plea of defects having been reported late. Neither PR-Tronik's taking delivery of the goods nor the processing of, payment for or issue of subsequent orders for goods which have not yet been found to be defective and which, therefore, have not yet been reported as being defective shall constitute an approval of the delivery or a waiver of claims for defects.
- 6.3 Where consignments are comprised of a large number of goods that are identical in construction, PR-Tronik may limit the examination for defects to a reasonable portion of the goods supplied. If the goods become impossible to sell as a result of the examination, a random sample of 0.5% of the pieces supplied shall be sufficient. In the event that single random samples of a consignment are defective, PR-Tronik may demand that the supplier single the defective pieces out or, at its choice, assert claims for defects with respect to the entire consignment.
- 6.4 PR-Tronik is fully entitled to the statutory rights for defects as to quality and title. PR-Tronik may choose between repair and replacement delivery. The supplier must bear all necessary expenses which PR-Tronik incurs in connection with the repair or replacement delivery. If the repair or replacement delivery does not occur within a reasonable period of time or fails, or if the setting of an additional

period of time can be dispensed with, PR-Tronik may withdraw from the contract or claim damages in lieu of performance according to the statutory provisions.

- 6.5 If the supplier fails to perform its obligation to carry out repairs or make a replacement delivery within a reasonable additional period of time set by PR-Tronik and the supplier does not have the right to refuse the repair or replacement delivery, PR-Tronik may carry out the necessary measures itself, or have them carried out by a third party, at the supplier's expense and risk. In cases where it is not possible to notify the supplier of the defect and the impending damage and to set an even short period of time for remedial action because of particular urgency and/or because the damage to be expected in the absence of immediate remedial action is unreasonably high as compared to the warranty obligation, PR-Tronik may take the necessary measures immediately and without prior consultation of the supplier. This does not affect PR-Tronik's entitlement to damages, especially the right to claim damages in lieu of performance.
- 6.6 The limitation period for claims for defects is 24 months from the passing of risk. With respect to defects reported during the limitation period, the claims for defects shall become time-barred no earlier than six months after the defects have been reported. If PR-Tronik purchases the goods for resale, the limitation period will not commence until the point in time at which the limitation period applicable to the resale of the goods commences, but no later than six months after the risk passes to PR-Tronik. The same shall apply if PR-Tronik purchases the goods for further processing.
- 6.7 If the supplier carries out repairs or makes a replacement delivery, the limitation period will commence anew unless the supplier carries out the repair or makes the replacement delivery as a gesture of goodwill, rather than in the performance of an (assumed) obligation of the supplier to carry out repairs or make a replacement delivery.
- 6.8 If, in connection with defects of the items supplied, PR-Tronik incurs costs – in particular, transport, travel, personnel or materials costs, or costs for an examination of the incoming goods which exceeds the normal scope of such examinations, or costs for measures to single out the defective products – the supplier is obliged to reimburse these costs.
- 6.9 If a defect as to quality becomes apparent within 6 months of the passing of risk, it will be assumed that the defect has already existed at the time of the passing of risk unless this assumption is not compatible with the nature of the item or defect.
- 6.10 If the supplier supplies goods for which replacement parts are necessary, the supplier undertakes to supply PR-Tronik with the necessary replacement parts and accessories for a period of another ten years following the expiry of the limitation period.
- 6.11 This does not affect further-reaching guarantees given by the supplier.

Section 7 Product Liability

- 7.1 The supplier is obliged to indemnify and hold PR-Tronik harmless from and against any third-party claims arising from product liability which are due to a defect of a product supplied by the supplier to the extent that the supplier is responsible for product defects and for the damage sustained according to the principles of product liability law. This does not affect further claims against the supplier.
- 7.2 On the same conditions as are stipulated in the first sentence of Section 7.1 above, the supplier is obliged to reimburse PR-Tronik particularly for such expenses as result from, or as are incurred in connection with, preventive measures taken by PR-Tronik against its being held liable for product defects, in particular, product warnings, an exchange of products or product recalls. To the extent possible and reasonable, PR-Tronik will advise the supplier of the contents and scope of the measures to be taken and give the supplier the opportunity to comment thereon.
- 7.3 The supplier must insure to a reasonable extent against all risks arising from product liability, including the risk of product recalls, and shall present the insurance policy to PR-Tronik as evidence, if so requested.
- 7.4 The supplier is obliged to label its products in such a manner that they can be recognized as the supplier's products on a permanent basis, as far as this can be done at a reasonable cost.

Section 8 Property Rights and Confidentiality

- 8.1 The supplier warrants that the delivery and use of the goods do not infringe any patents, licenses or other third-party property rights or copyrights. This does not apply in cases where the goods have been developed by PR-Tronik. If, due to the delivery or use of the goods, PR-Tronik or its customers are held liable by any third party for infringement of any such rights, the supplier shall be obliged to indemnify PR-Tronik or its customers against these claims and to reimburse PR-Tronik for all expenses incurred by PR-Tronik in connection with the asserted claims.
- 8.2 The supplier is obliged for an unlimited period of time to maintain the confidentiality of any and all information about PR-Tronik of which it becomes aware and which is designated as confidential or can be recognized as a trade or business secret according to other circumstances, and the supplier may neither record nor pass on or otherwise use such information to the extent this is not necessary for the delivery to PR-Tronik. The supplier shall make appropriate contractual arrangements with the employees and agents working for it to ensure that these persons, too, refrain for an unlimited period of time from any use, disclosure and unauthorized recording of such trade and business secrets for their own purposes.

Section 9 Provision of Items

- 9.1 Any tools, patterns, samples, models, profiles, drawings, standard sheets, artwork masters, gauges, and other items or documents provided by PR-Tronik remain the property of PR-Tronik and may not be passed on to any third party or be otherwise used for the supplier's own purposes without express permission given in writing. The supplier must protect such items against unauthorized inspection or use and, unless otherwise agreed, must return them in proper condition with the delivery of the goods, at the latest. The supplier may not keep any copies. A right to retain does not exist with respect to these items.
- 9.2 If the supplier produces goods, tools, drawings or other means of production on behalf of PR-Tronik or according to the specifications supplied by PR-Tronik and such production occurs at the cost of PR-Tronik, there is agreement that unlike provided in Section 4.5 above, these goods or means of production will become

the property of PR-Tronik already with their production. If PR-Tronik pays only part of the cost, PR-Tronik will acquire a co-ownership interest in the goods and means of production which corresponds to PR-Tronik's share in the cost. Moreover, PR-Tronik will obtain all rights of use and all exploitation rights with respect to the industrial or other property rights created with the production of the goods and means of production produced according to sentences 1 and 2 above. The supplier has the revocable right to store the means of production for PR-Tronik free of charge and with due care. PR-Tronik provides the means of production to the supplier on a loan basis for the manufacture of the goods ordered.

- 9.3 The supplier is not authorized to use the items or documents beyond the scope of the order without the written agreement of PR-Tronik. In the event of violations, the supplier must pay PR-Tronik liquidated damages in the amount of €5,000.00 per violation. This does not affect further claims of PR-Tronik. The supplier must mark the items in such a manner as to ensure that the ownership of PR-Tronik is documented without a doubt also in relation to third parties.
- 9.4 The supplier is obliged to handle and store all items provided with due care. The supplier must insure the items provided at its own expense at replacement value against damage by fire, water and theft. The supplier assigns to PR-Tronik in advance all claims for compensation arising from such insurance. PR-Tronik hereby accepts the assignment.
- 9.5 The supplier shall be obliged to carry out all necessary maintenance and inspection work and all servicing and repair work with respect to the items provided in a timely manner at its own expense. The supplier shall advise PR-Tronik without undue delay of any damage.

Section 10 Force Majeure

- 10.1 If PR-Tronik is prevented from performing its contractual obligations – in particular, from accepting the goods – by an event of force majeure, PR-Tronik shall be released from its obligation to perform for the duration of the impediment and a reasonable start-up period without being liable towards the supplier for damages. The same shall apply if the performance of its obligations by PR-Tronik is unreasonably impeded or becomes temporarily impossible because of unforeseeable circumstances for which PR-Tronik is not responsible, in particular, because of industrial action, official measures, energy shortage or major disruptions of operations.
- 10.2 PR-Tronik has the right to withdraw from the contract if an impediment according to Section 10.1 above continues for more than four months and if, as a result of such impediment, the performance of the contract is no longer of interest to PR-Tronik. At the request of the supplier, PR-Tronik will declare after the expiry of the aforementioned four-month period whether it will make use of its right to withdraw from the contract or whether it will accept the goods within a reasonable period of time.

Section 11 Limitation of Liability

PR-Tronik assumes unlimited liability for any damage resulting from breach of guarantee or from death, bodily injury or damage to health. This applies also to willful misconduct and gross negligence. In cases of slight negligence, PR-Tronik will be liable only in the event of a breach of material contractual obligations which result from the nature of the contract and are of particular relevance for the purpose of the contract to be achieved. Where such obligations are breached, PR-Tronik's liability shall be limited to such damage as must typically be expected in the context of the contract. This does not affect mandatory statutory liability for product defects.

Section 12 Miscellaneous

- 12.1 The supplier may transfer rights and obligations under contracts with PR-Tronik to a third party or have an order or material parts of an order performed by a third party only with the prior written consent of PR-Tronik.
- 12.2 Suppliers of the supplier will be deemed persons employed by the supplier in the performance of its obligations (*Erfüllungsgehilfen*).
- 12.3 For both parties, place of performance for the entire performance of the contract, especially for delivery and payment, shall be the seat of PR-Tronik or such other place of performance as is specified by PR-Tronik.
- 12.4 Exclusive place of jurisdiction for all disputes arising out of the business relationship between PR-Tronik and the supplier shall be the seat of PR-Tronik. At its choice, PR-Tronik may additionally sue the supplier at the supplier's seat and at any other permissible place of jurisdiction.
- 12.5 The legal relationships between PR-Tronik and the supplier shall be governed by the laws of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).