

## General Terms and Conditions of Sale of HBC-radiomatic GmbH ("HBC") – Version as of 1 January 2016

### 1. Scope of Application

- 1.1. The following General Terms and Conditions of Sale shall apply to all business relationships of HBC-radiomatic GmbH (hereinafter "HBC") with entrepreneurs (§ 14 BGB [German Civil Code]), legal entities under public law or special funds under public law ("Customer"). Unless otherwise agreed, these General Terms and Conditions of Sale shall apply, in the version which is valid at the time when the Customer places the order or in any case at the version last notified to him in a text form, as a framework agreement also to equivalent future contracts without HBC having to refer hereto again in each individual case.
- 1.2. These Terms and Conditions of Sale shall apply exclusively. Differing, contradictory or supplementary General Business Terms of the Customer will only become part of the contract to the extent that HBC has explicitly approved their validity. This requirement for approval shall apply in any case, for example if HBC performs delivery without reservation in the knowledge of the General Business Terms of the Customer.
- 1.3. Differing agreements and (oral) collateral agreements shall have precedence over these General Terms and Conditions of Sale, shall however only be valid if they are confirmed by HBC in writing. Unless otherwise agreed in an individual contract, the written form can be replaced by an electronic form (fax, e-mail).

### 2. Quotation, Conclusion of contract

- 2.1. Unless otherwise agreed in an individual contract, quotations of HBC shall be created based on the documents and information available to HBC on the day of the quotation and will be binding for a period of three months.
- 2.2. A contract only comes into force on receipt of the order confirmation or when the goods are delivered by HBC.
- 2.3. The Customer is bound to his orders for 14 workdays.
- 2.4. HBC retains the title and all industrial property rights as well as copyrights to cost estimates, samples, drawings and other documents handed to the Customer. They must not be made accessible to third parties without the consent of HBC and, if requested, are to be returned to HBC together with all copies made therefrom.

### 3. Prices, Terms of Payment

- 3.1. Unless otherwise stipulated in the order confirmation, invoices will be due and payable on receipt. The terms of payment shall be derived from the quotation.
- 3.2. Payments must be made free of costs and charges into HBC's bank accounts stated on the invoice.
- 3.3. All prices are understood plus VAT according to the provisions of the applicable law on the day of invoicing as well as plus possible secondary costs, such as in particular costs for freight, packaging and transportation insurance ex works Crailsheim.

### 4. Default of payment

- 4.1. If a Customer is more than 14 calendar days in delay with a payment, or if individual enforcement measures are taken against him, HBC is entitled, without prejudice to other rights:
  - a) if the delay relates to a financing or redemption agreement, to render all claims hereunder due and payable immediately;
  - b) to withhold all deliveries or services from contracts not yet fulfilled or to provide them only against prepayment;
  - c) to assert all rights arising from the reservation of title (paragraph 9).
- 4.2. In the event of a delay, HBC is generally entitled to assert interest on default. After a default of 28 days HBC will charge a lump sum for default. If the Customer continues to be in default HBC is entitled to assert interest on default in the amount of 8 %. HBC reserves the right to assert proven higher damages.

### 5. Offset, Right to Retain

- 5.1. The Customer shall be entitled to offset only insofar as the Customer's counterclaim is acknowledged, undisputed or assessed in a legally binding judgement.
- 5.2. The Customer is entitled to claim retainer rights only to the extent that such rights are acknowledged, undisputed or assessed in a legally binding judgement.

### 6. Delivery, Time of Delivery and Reservation of self-delivery

- 6.1. The fulfilment of agreed delivery dates presumes that the necessary permits, as well as documents, releases, and services to be provided by the Customer, as well as other obligations on the part of the Customer are provided or fulfilled punctually and in full. If this does not happen or if alterations are made at the

Customer's request after the order confirmation, the agreed delivery time will be extended by an appropriate period. Indicated delivery shall not be binding dates ("Fixtermine").

- 6.2. The delivery deadline is considered to have been met if, before its expiry, the ordered goods have left the warehouse or the notice of readiness for despatch has been sent.
- 6.3. If the non-observance of an agreed delivery deadline is attributable to force majeure, lawful labour dispute, natural disasters, interferences to operations, unforeseen impediments or other circumstances not attributable to HBC, the delivery deadline will be extended for the duration of these events. This will apply accordingly, should HBC be delayed with its delivery at the occurrence of one of these events.
- 6.4. In the case of an impediment to service lasting more than 3 months within the meaning of paragraph 6.3, both HBC and the Customer are entitled to cancel the contract with regard to the delayed delivery, but in the case of non-observance of the delivery deadline for reasons other than those mentioned in paragraph 6.3, only the Customer is entitled to cancellation. A pre-requisite for the cancellation by the Customer is that the Customer has set HBC in writing an appropriate extension of the delivery deadline (of at least three weeks' duration).
- 6.5. HBC is entitled to make a delivery in advance as well as to make partial deliveries in a scope that is deemed reasonable for the Customer. Partial deliveries can be invoiced immediately by HBC with the shipment of the respective partial delivery.
- 6.6. HBC reserves the right in each case to a correct and punctual self-delivery unless HBC is accordingly at fault.

### 7. Resale and Export

- 7.1. In the event of a resale by the Customer to a third party within its national territory or abroad (hereinafter "Buyer") the Customer will bear the full and sole risk for:
  - compliance with the national legal provisions and standards applicable at the place of operation in the concerned destination country as well as for obtaining and complying with necessary approvals and/or permits for the use of the products and the radio frequencies;
  - compliance with the respective valid import and export conditions, including possible export controls;
  - provision of all technical documentation, safety and warning instructions and - comprehensive instruction of the Buyer.
- 7.2. For the event that a claim is asserted against HBC by the Buyer or by any other third party in connection with or in the context of the non-compliance with foreign legal provisions and/or owing to other breaches in connection with the resale and/or the export of HBC products, the Customer shall indemnify and hold harmless HBC from all asserted claims in full.

### 8. Passing of risk and shipment

- 8.1. The delivery and transfer shall depend on the clause of the Incoterms® 2010 stated in the quotation.
- 8.2. Unless otherwise agreed, the Customer has to take over the goods at the agreed location within eight workdays after receipt of the notice that the goods are ready for despatch.
- 8.3. In the event that the Customer orders delivery at another location this shall take place at the Customer's risk and on the account of the Customer at cost price. The same applies to possible returned consignments insofar as these are not a result of a defect or caused by other circumstances attributable to HBC. HBC determines the carrier under the exclusion of any liability that this concerns the most cost effective type of shipment. Shipping instructions of the Customer to the contrary are only binding for HBC if they have been confirmed by HBC in writing.
- 8.4. If the Customer is in delay with accepting delivery or if the delivery is delayed for other circumstances, for which the Customer is responsible, the risk is passed to the Customer from the date of the notice that the goods are ready for despatch. In these cases the purchase price is also deemed due and payable from the date of the notification of readiness for shipment. The Customer has to bear all costs for the storage of the goods at the premises of HBC or at a third party's warehouse. This shall not affect the assertion of a claim for compensation against the Customer in excess of this.

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### 9. Reservation of title

- 9.1. HBC shall reserve the title to the goods delivered to the Customer until payment is made in full. The reservation of title also applies to all claims, which had already been established at the time the contract was concluded; it shall further extend to all claims arising from follow-up business, particularly deliveries of spare parts and Customer services ("reserved goods"). This also applies if individual or all claims are included in a current invoice and the balance is drawn and recognised.
- 9.2. The Customer is obliged to treat the reserved goods with care and particularly to take out and maintain, at his expense, insurance cover against the customary risks (including fire and theft). At his own expense the Customer must undertake maintenance and inspection work punctually in accordance with the manufacturer's regulations or permit it to be undertaken by HBC or by a firm recognised by HBC or the manufacturer.
- 9.3. The Customer is only entitled to pledge, assign by way of security, rent or transfer the reserved goods abroad following the prior written approval of HBC. The Customer is entitled to resell the reserved goods in the course of his normal business operations.
- 9.4. The Customer shall assign at this stage to HBC all claims and remuneration claims, to which the Customer is entitled in respect of the resale or otherwise with regard to the reserved goods (e.g. claims arising from illicit act, insurance claims) in the amount of the invoiced value of the reserved goods – in an agreed current account amounting to the sum of the outstanding balance.
- 9.5. In the case of access by a third party to the reserved goods the Customer has to draw attention to HBC's property and has to notify HBC in writing immediately without delay. If the third party is not able to reimburse HBC for both, the in court and out-of-court costs of a legal action in accordance with § 771 ZPO [Code of Civil Procedure], the Customer shall be liable for the suffered losses.
- 9.6. If the retained goods are inseparably combined with objects, which do not belong to HBC, HBC acquires co-ownership to the new object in the ratio of the value of the reserved goods to the other combined objects at the time of the combination. If the combination takes place in such a manner that the Customer's article is to be regarded as the main article, it is considered to have been agreed that the Customer transfers joint title to HBC pro rata. The Customer will hold the thus established title or joint title to the Customer's articles on behalf of HBC. The Customer also assigns to HBC by way of security the claims against a third party, which accrue to him through the combination of the reserved goods with real estate.
- 9.7. If the realisable value of the securities assigned by the Customer, to which HBC is entitled from the reservation of title, exceed the existing total claim against the Customer by more than 20%, HBC is obliged, at the Customer's request, to release its choice of the securities, to which HBC is entitled under this agreement, down to the agreed value limit.

### 10. Warranty

- 10.1. Within the scope of the following provisions HBC warrants that deliveries are free from defects as provided in the applicable warranty provisions and that the specifications agreed in writing have been complied with as well as the particular features assured in writing by HBC.
- 10.2. The warranty period shall be 12 months after the initial operation, a maximum however 24 months after the delivery of the goods to the Customer.
- 10.3. In the case of justified complaints HBC, at its sole discretion, will either replace or subsequently improve the faulty object free of charge. If HBC is not willing or not in a position to be able to rectify the fault/provide a replacement delivery, if this is delayed beyond appropriate deadlines for reasons, for which HBC is responsible or if the rectification of the fault/replacement delivery fails in any other way, the Customer shall be entitled, at his discretion, either to cancel the contract or to demand a corresponding reduction in the purchase price (reduction).
- 10.4. The warranty rights presume that the Customer has properly fulfilled the responsibilities for inspection and reciprocal obligations imposed upon him under §§ 377 and 381, para. 2 of the HGB [German Commercial Code]. Any complaints (including shortfalls in quantities) must be reported to HBC in writing immediately, otherwise the Customer can derive no further rights hereunder. Damage or losses caused during transportation must be reported to HBC immediately, at the latest, however, within the deadlines stated on the packing units. Obligations to make further notifications (such as a claim for damage against the carrier) are not affected by this.

- 10.5. Warranty claims shall be excluded if the occurred defects have a causal connection to the fact that
  - an obvious fault has not been reported by the Customer immediately;
  - the Customer has not complied with the regulations concerning handling, maintenance, care and conditions of use;
  - the purchased object has been previously repaired, maintained or cared for in a company not recognised by the manufacturer/importer or by the Customer himself;
  - spare parts not approved by the manufacturer/importer, in particular rechargeable batteries of other manufacturers have been used, and/or built-in parts or attachments have been affixed, which were not approved;
  - physically substantiated adverse conditions prevail, which temporarily or sustainably disturb the radio operation at the respective place of use or
  - a specification that is inadmissible for the place of use, in particular a radio specification that is inadmissible for regulatory reasons, was ordered.
- 10.6. In the case of a fault complained about by the Customer does not concern a defect or for which the warranty period has expired, HBC is entitled to charge the Customer for incurred labour and material costs as well as a flat rate for travel to the respective location. The same shall apply if it is determined that the report of the defect was unjustified.

### 11. Liability

- 11.1. Claims for compensation – no matter of what kind – are excluded if HBC, its legal representative or vicarious agents acted with slight negligence. This liability exclusion shall not apply if warranted specifications are missing or essential contractual obligations have been breached in a manner that endangers the fulfilment of the contractual purpose. In these cases the liability is however limited with a slightly negligent breach of essential contractual obligations to the foreseeable damages which are typical for the contract.
- 11.2. The above limitation to liability shall not apply to claims according to the Product Liability Act as well as to claims owing to the injury to life, the body or the health or owing to wilful intent.

### 12. National telecommunication regulations

- 12.1. Remote action radio installations may only be operated in the national territory and abroad with a special permit granted by the respective responsible national telecommunication authorities, and only in the frequency ranges designated a priori by the responsible authority, or on frequencies allocated within the scope of an exceptional permit.
- 12.2. It lies in the responsibility of the operator of the remote action radio installation to ensure and, upon enquiry, prove to the responsible authority that the used operating frequencies lie within the frequency ranges which are admissible according to 12.1.
- 12.3. Therefore, it is the responsibility of the Customer to clarify in every individual case whether radio operation is admissible on the requested frequency in the respective country of the place of use of the remote action radio installation.

### 13. Place of performance, Place of jurisdiction

- 13.1. The place of performance for all claims arising from the contract concluded between the Customer and HBC shall be Crailsheim in the Federal Republic of Germany.
- 13.2. The place of jurisdiction for all disputes arising out of or in connection with the business relationship between HBC and the Customer shall be Crailsheim in the Federal Republic of Germany.

### 14. Applicable Law, Validity, Written form

- 14.1. The laws of the Federal Republic of Germany shall apply under the exclusion of the UN Convention on Contracts for the International Sale of Goods and the law on conflicts.
- 14.2. Should individual parts of these Terms and Conditions of Sale be or become invalid, the validity of the remaining parts shall be not affected thereby.
- 14.3. Amendments and addendums to the provisions contained in these Terms and Conditions of Sale require a written form in order to be valid.
- 14.4. Within the scope of the business relationship with the Customer, HBC will store the necessary Customer or supplier data with the aid of electronic data processing in accordance with § 33 Data Protection Act.