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General Business Terms

Conditions of Sale and Purchase

I. Validity of conditions

These general Conditions of Sale and Purchase (General Business Terms) apply to all legal transactions undertaken by FiaBuc Kabelkonfektion GmbH in respect of enterprises and other entities as defined in § 310 BGB [German Civil Code]. They apply exclusively to all business transactions. Any business conditions to the contrary issued by our contractual partners apply only if expressly acknowledged by ourselves in writing, even if we perform the legal transaction automatically and without reservation in full knowledge of our business partner's conflicting terms and conditions.

II. Terms and Conditions of Purchase

1. Prices and Payment Terms

- 1.1 The agreed upon prices shall be fixed prices. They shall, unless expressly agreed upon otherwise, include free domicile shipping as well as packaging and applicable value added tax.
- 1.2 The invoice shall be sent to us in duplicate immediately upon dispatch of the shipment. Unless otherwise agreed upon in writing, we shall pay the invoice amount, minus 2 % cash discount within 14 days after the date of shipment and receipt of the invoice or within 30 days net.

- 1.3 An assignment of receivables from the purchase agreement shall be only permitted subject to our express written consent.

2. Terms of Delivery

- 2.1 The delivery times stipulated by us shall be binding and shall begin on the day of order placement.
- 2.2 The Supplier shall be required to notify us immediately if the agreed upon delivery date cannot be met or if the Supplier would like to ship earlier than scheduled. This obligation to notify shall be without prejudice to our rights relating to default on services.
- 2.3 In the event that the Supplier should be in default of delivery, the supplier shall be required to pay a contractual penalty in the amount of 0.1 % per calendar day of delay, however, not more than 15 % of the total order value. This shall be without prejudice to the filling of statutory claims due to default on services.
- 2.4 Strike, lock-outs, operational interruptions, operational limitations, etc. and other events of force majeure shall entitle us to delay the acceptance of the shipment for the duration of the impeding events or to wholly or partially rescind the agreement.
- 2.5 We shall retain the proprietorship in drawings, models, samples, tools, etc. that we provide to the Supplier or for which we compensate the Supplier in the form of production costs. Such items shall be returned to us upon completion of the order. Any right to retain such objects shall be excluded.

3. Supplier's Liability for Defects

- 3.1 The Supplier warrants that the goods supplied shall remain free of defects for a period of 12 months after the date of risk transfer and that such objects have the promised characteristics and comply with the Purchaser's requirements.

Furthermore, the Supplier warrants that the goods supplied do not infringe any domestic or international proprietary rights.

- 3.2 In the event of a warranty claim, the Supplier shall, at the Purchaser's discretion, either remedy the object, or provide a free replacement shipped at no cost to the Purchaser, or grant a reduction of price, or pay damage compensation.

The Purchaser shall be required to notify the Supplier immediately upon discovering a warranty claim.

- 3.3 These warranty rights notwithstanding, the Purchaser shall be entitled to the statutory warranty compensation provisions.
- 3.4 The statute of limitations for claims for defects shall be 36 months. This period shall begin upon risk transfer.

4. Supplier's Liability for Damages

- 4.1 The Supplier shall be liable to us for any and all damages caused by the Supplier or the Supplier's agents, in full and for any degree of culpability, pursuant to the respective statutory provisions.
- 4.2 The risk for transportation damages shall be with the Supplier.

5. Format of Declarations

Any legally relevant declarations and notifications to be made by the Supplier to us or any third party shall be made in writing.

III. Terms and Conditions of Sale

1. Quotation / Execution of the Agreement

- 1.1 Our quotations shall be without engagement and non-binding.

For any declarations of acceptance and orders to become legally effective, they shall require our confirmation in writing, by fax or remote data transmission.

- 1.2 Drawings, figures, measurements or other performance-related data shall be binding only if these have been expressly agreed upon in writing.

- 1.3 We reserve all proprietary and copyrights in all figures, drawings, calculations and other records. This shall also apply to such written documents that are marked "Confidential". Our express written consent shall be required prior to the Purchaser's forwarding of such documents to any third parties.

2. Prices / Payment Terms

- 2.1 Unless stipulated otherwise, we shall be bound by the prices stated in our quotations for a period of 6 weeks after the quotation date. Otherwise the prices stipulated in the order confirmation plus any applicable value added tax shall apply. Additional products delivered and services rendered shall be billed separately.
- 2.2 Unless stipulated otherwise in the order confirmation, our prices shall be understood "ex works" excluding packaging.
- 2.3 The deduction of cash discounts shall require a separate written agreement.
- 2.4 Unless stipulated otherwise in the order confirmation, the purchase price shall be due for payment 30 days after the invoice date, net. The statutory provisions governing the consequences of late payments shall apply.
- 2.5 The Purchaser shall be entitled to set-off rights only if any counter claims have been confirmed through a final judgment order by a court of law; undisputed or accepted by us. Moreover, the Purchaser shall be entitled to withholding rights only if any counter claims are based on the same contractual relationship.

3. Delivery Time

- 3.1 The initiation of any delivery times stipulated by us shall be subject to the clarification of all technical issues.
- 3.2 Upon receipt of an order, the purchaser will first receive a general order confirmation from Fiabuc GmbH which does not give a specific delivery date. Only after checking the order carefully to establish whether sufficient material is available within the company will the purchaser receive a further written order confirmation from FiaBuc GmbH giving a specific delivery date. The delivery dates stated are departure dates.

Any delay in delivery as defined in § 4 sections 1 and 3 – 8 of these General Business Terms is deemed to have occurred only if the specific delivery date given by FiaBuc GmbH in the second written order confirmation is not met.

- 3.3 Compliance with our delivery obligation shall further be subject to the timely and proper fulfillment of the Purchaser's obligations. The right of objection due to non-performance under the agreement shall be reserved.
- 3.4 In the event that the Purchaser should be in default of acceptance or culpably violate any other cooperation obligations, we shall have the right to claim the reimbursement of any respective damages, including any additional expenses incurred. The right to other entitlements shall be reserved.
- 3.5 Provided the conditions stipulated in paragraph 3 apply, the risk for accidental loss or coincidental worsening of the purchased object's quality shall be transferred to the Purchaser at the time the latter enters into default of acceptance or debtor's default.
- 3.6 We shall be liable pursuant to the statutory provisions, provided that the delay of deliveries we are accountable for is the result of culpable violations of an integral duty under the agreement; however, in such a case the liability for damages shall be limited to foreseeable, typically occurring damages.
- 3.7 Moreover, in the event of a delivery delay we shall be liable for damages in the amount of 0.5 % for each complete week of delay, however, a maximum of 5 % of the invoice value of the products and services affected by the delivery delay.
- 3.8 This shall be without prejudice to any other statutory claims and rights of the Purchaser.
- 3.9 Delays in deliveries of products and the rendering of services due to force majeure and due to events that severely impede or make impossible our ability to deliver not just temporarily, even if they occur at our Suppliers' end or their sub-suppliers' end, shall relieve us from having to comply even with bindingly agreed upon delivery times and deadlines. Such situations shall entitle us to delay the delivery or the rendering of services as long as the impediment continues plus a reasonable lead time thereafter, or to rescind from part or all of the agreement due to the non-performance of this portion of the agreement.

In the event that the impediment should persist for a period of more than three months, the Purchaser shall have the right to rescind from the agreement in reference to the non-performed portion of the agreement after the extension of a reasonable remedy period. The Purchaser shall not be entitled to construing any claims for damages should the delivery time be extended or should we be relieved from our obligations. We shall be in a position to

cite delivery and service delays due to force majeure only if we notify the Purchaser of such circumstances immediately.

4. Transfer of Risk

The risk shall transfer to the Purchaser as soon as the shipment has been handed over to the person performing the transportation or has left our warehouse for the purpose of shipment. In the event that the shipment should be delayed at the request of the Purchaser, the risk shall transfer to the latter upon notification that the shipment is ready.

5. Purchaser's Rights in the Event of Defects

- 5.1 Defect claims by the Purchaser shall be subject to the latter's proper fulfillment of the examination and notification obligations pursuant to Article 377 HGB [German Commercial Code].
- 5.2 In the event that a defect should be inherent in the object of purchase, we shall, at our discretion, have the option to either eliminate the defect or to ship an object that is free of defect. This liability for defects shall require that the defect is not a minor defect. In the event that one of these remedies or both should be impossible or unreasonable, we shall have the right to reject their performance. We shall have the right to refuse the performance of remedies as long as the Purchaser has not fulfilled respective payment obligations to us to the extent that they equal the value of the defect-free portion of the services rendered.
- 5.3 In the event that the performance of remedies as stipulated in paragraph 2 should be impossible or fail, the Purchaser shall have the option at the latter's discretion to either reduce the purchase price accordingly or to rescind from the agreement pursuant to statutory provisions.
- 5.4 In the event that the Purchaser should file damage claims based on intent or gross neglect, including intent or gross neglect of our representatives or agents, we shall be liable pursuant to statutory provisions. Unless claims are filed for intentional violation of contract, our liability for damages shall be limited to foreseeable, typically occurring damages.
- 5.5 In the event that we should culpably violate an integral contractual duty we shall be liable pursuant to statutory provisions; in this case our liability for damages shall, however, be limited to foreseeable, typically occurring damages.

- 5.6 The right to file claims for liability due to culpable injury to the life, the body or the health of a person shall be reserved; this shall also apply to mandatory liability pursuant to the product liability act.
- 5.7 Unless provided otherwise in the above, any liability shall be excluded. This shall apply in particular to claims for damages based on culpability in executing the agreement, other violations of duty or to offense-related claims for reimbursement of material damages pursuant to Article 823 BGB [German Civil Code].
- 5.8 In the event that liability for damages at our end should be excluded, this shall apply equally to the personal liability for damages of our staff members, employees, workers, representatives and agents.
- 5.9 The statute of limitations for damage claims shall expire after 12 months beginning from the date of risk transfer.

6. Retention of Title

- 6.1 We shall retain the title in the object of purchase until all payments due under the delivery agreement have been received. In the event of violation of contract by the Purchaser, in particular in the event of default on payment, we shall have the right to reclaim the object of purchase. The reclaiming of the object of purchase shall not be construed as an act of rescinding the agreement, unless expressly stipulated by us as such in writing. The attachment of the object of agreement shall always constitute an act of rescinding the agreement on our part. Upon reclaiming the object of purchase, we shall have the right to sell the object. The revenues of such a sale shall be balanced against the Purchaser's liabilities minus reasonable sales expenses.
- 6.2 In the event of attachments or other third party manipulations, the Purchaser shall be required to notify us in writing immediately in order to file a law suit pursuant to Article 771 ZPO [German Code of Civil Procedure]. In the event that such a third party should not be in a position to reimburse judicial and extra-judicial legal expenses of a law suit pursuant to Article 771 ZPO, the Purchaser shall be liable for the expenses incurred by us.
- 6.3 The Purchaser shall have the right to resell the object of purchase through proper business transactions; however, in executing this agreement, the Purchaser shall assign all respective receivables in the amount of the total amount (including VAT) billed in our invoices that arise from the sale to the Purchaser's customers or third parties, regardless of whether the object of purchase has been further processed prior to the sale or not. The Purchaser shall

retain the right to collect such receivables even after such assignment. This shall be without prejudice to our entitlement to collect such receivables ourselves. We do, however, warrant, to not undertake such collection activities as long as the Purchaser meets the respective payment obligations from the revenues attained; does not default on payment and, in particular, does not file an application for the initiation of insolvency proceedings and a cessation of payments does not occur. In the event of any of these occurrences, we shall have the right to demand that the Purchaser discloses the assigned receivables and the respective debtors, providing all required information and handing over all respective records and that the Purchaser notify the debtors (third parties) of the assignment.

- 6.4 The processing or modification of the object of purchase shall always be performed for our account. If the object of purchase is processed with other objects that do not belong to us, we shall acquire co-ownership in the new object in the ratio of the value of the object of purchase in comparison to the other processed objects at the time of processing. The same provisions that apply to the object of purchase supplied under this retention of title shall otherwise apply to the object created through processing.
- 6.5 We warrant that we shall release any collateral security we are entitled to upon request by the Purchaser to the extent that the value that can be attained through such collateral security exceeds the receivables to be securitized by more than 10 %. The choice of the collateral security to be released shall be at our discretion.

IV. Concluding conditions

1. The law of the Federal Republic of Germany applies to all our transactions. Application of the UN Sales Convention is excluded.
2. If our contractual partner is a merchant, a public legal entity or a special fund under public law, the place of jurisdiction for all disputes arising from legal relationships with ourselves is the registered office of our company.
3. Should any clause in these business conditions, or any clause within the framework of other agreements, be or become invalid, the validity of all other conditions or agreements shall not be thereby affected.