

E.G.O. Austria Elektrogeräte Gesellschaft m.b.H.

General Terms and Conditions of Sale, Delivery and Payment

1. Scope

- 1.1 All deliveries and services effected by us shall be governed by these General Terms and Conditions of Sale, Delivery and Payment exclusively. We do not acknowledge any terms to the contrary or any deviating terms used by the customer, unless such have been expressly approved by us in writing.
- 1.2 Our General Terms and Conditions of Sale, Delivery and Payment shall apply only with respect to entrepreneurs.
- 1.3 Any changes of or supplements to a contract or these terms and conditions must be in writing to be effective. Such shall also apply to an amendment of the requirement of the written form.
- 1.4 Should any provision of these General Terms and Conditions of Sale, Delivery and Payment or of a contract concluded between us and the customer be or become ineffective or unenforceable, either in whole or in part, such shall not affect the legal validity of all other provisions. The ineffective or unenforceable provision shall be replaced by an effective and enforceable provision which approaches as closely as possible the contents and purpose of the ineffective or unenforceable provision. Such shall also apply in the case of minor contractual gaps.
- 1.5 Reference to the "written form" or "in writing" shall mean a non-electronic document bearing a handwritten signature (including fax messages), whereas reference to "text form" shall refer to documents with or without a handwritten signature (including but not limited to emails).

2. Offer, Order, Documents

- 2.1 Our offers are without obligation and are not binding unless they have been expressly stipulated to be binding.
- 2.2 Each order shall be governed by our acknowledgement of order. If we do not send a separate acknowledgement of order the invoice and/or the delivery note shall be deemed to be an acknowledgement of order. If the customer has any objections as to the contents of the acknowledgement of order, he must oppose such acknowledgement of order in writing without delay. Otherwise the contract shall take effect in accordance with the acknowledgement of order.
- 2.3 We unrestrictedly reserve all title and author's exploitation rights to all and any drawings, cost estimates and other documents. Upon request, these documents must be returned to us without delay. Any right of retention shall be excluded. Without our prior consent, they shall not be disclosed to any third party. If conclusion of contract fails, the more extensive drawings, cost estimates and other planning documents shall be paid by the customer at the hourly rate we usually charge. Our copyrights must always be respected.
- 2.4 Any operating instructions, technical drawings, specifications and similar documentation for deliveries and services provided by us may, at our discretion, be supplied in German, English or in the language received by us from the respective manufacturer. We shall not be under the obligation to prepare any translations thereof. We shall not be liable for the contents of operating instructions and other documents prepared by any third party.

3. Delivery, Passing of Risk, Collection

- 3.1 Deliveries shall be effected free carrier (FCA) in accordance with the applicable Incoterms, as amended. Unless otherwise agreed in text form in individual cases, place of delivery shall be our seat in AT-9919 Heinfels.
- 3.2 If we select the type of shipment, the route or the shipping agent, we shall only be liable for gross negligence in such selection.
- 3.3 The risk shall pass to the customer upon delivery of the delivery item to the first person designated for shipment at the latest, whereby the commencement of the loading process shall be authoritative. Such shall also apply to partial deliveries and also if shipment carriage paid is agreed in individual cases.
- 3.4 If shipment or delivery of the delivery item is delayed due to circumstances for which we are not responsible, risk shall pass to the customer on the day the delivery item is ready for dispatch and we have informed the customer thereof.
- 3.5 We shall have the right to effect partial deliveries and partial services as long as the remaining deliveries and services are effected within the agreed

time period and if such is not unreasonably for the customer. Partial invoices shall be possible mutatis mutandis.

- 3.6 We shall have the right to effect production-related excess or short deliveries of up to 10% without any consequences regarding liability, if such can reasonably be expected of the customer. All excess deliveries must be paid in addition by the customer.

- 3.7 If the customer is in default of acceptance we shall have the right to charge 0.25% of the amount of the net invoice of the delivery item to be stored as storage costs for each commenced week. The customer may substantiate that we have incurred no damage or that the damage incurred is significantly lower than the lump-sum. We reserve the right to assert higher damages.

4. Time for Delivery, Delay in Delivery

- 4.1 Any time periods and dates for delivery and service stated by us shall not be binding unless agreed as binding. Dates agreed as binding within the meaning of Section 919 ABGB [Civil Code of Austria] shall also not be deemed fixed dates unless expressly designated as such in writing.
- 4.2 The time period for delivery and service shall result from the agreements concluded in accordance with the acknowledgement of order. Compliance with such periods shall require that all and any commercial and technical issues have been clarified and the customer has fulfilled all of his obligations and, in particular, has submitted the documents which may need to be supplied and has effected any advance payment which may have been agreed. If this is not the case, the time period for delivery and service shall be reasonably extended.
- 4.3 The time for delivery shall be deemed met if by this deadline the delivery item has left the factory or notice has been given that the delivery item is ready for dispatch.
- 4.4 The time period for delivery or service shall be reasonably extended in the event of measures taken within the scope of labor disputes / strikes and in the event of unforeseen impediments beyond our control, to the extent that such impediments delay the completion or delivery of the delivery item or of the service. Such unforeseen impediments shall include but not be limited to delays on the part of the sub-suppliers, natural disasters of any type or nature, fire, traffic accidents, hostage-taking, acts of terrorism, sabotage, power failures, storms and floods. This shall also apply if such circumstances occur with sub-contractors. Nor shall we be responsible for the aforesaid circumstances if they occur during an ongoing period of delay. In serious cases, we shall notify the customer of the beginning and end of such impediments without delay.
- 4.5 If deadlines for delivery or service are not met, the customer shall only be entitled to withdraw from the contract if, once the deadline has been exceeded, the customer has granted us an adequate period of grace while threatening to otherwise withdraw from the contract, and if the delivery or service has not been effected within such grace period. Such shall not apply if we have seriously and definitely refused delivery or service or if there are special circumstances which, in exceptional cases, justify immediate withdrawal.
- 4.6 Without prejudice to the provisions stipulated in item 12 hereof, if we are in default our liability for damage caused by the delay shall be limited to compensation amounting to 0.5% of the net price for each completed week of the delay, however not exceeding 5% of the net price of the delayed delivery or service that cannot be appropriately deployed as a result of the delay. Any claims for damages asserted over and above this compensation for delay may only be asserted if the actual damage incurred is to be assessed as being significantly higher than the delay compensation and/or if the damage has been caused by us either by gross negligence or by intent.

5. Prices

- 5.1 The prices agreed as per acknowledgement of order shall be authoritative. Unless otherwise agreed prices shall be free carrier (FCA) and shall be exclusive of packaging, freight, insurance, customs, other charges and duties as well as value-added-tax.
- 5.2 Reusable packaging used for transportation (returnable packaging, reusable packaging), including but not limited to pallets, spacers, boxes and wire baskets, shall be charged at cost price and credited if returned immediately, delivered duty paid (Incoterms: DDP) and in good and undamaged condition. The present provision shall not apply to non-returnable packaging
- 5.3 In the event of any cost increases arising between the conclusion of the

contract up until the execution of the order which were unforeseeable to us, e.g. on account of an increase in labor or material costs, we shall be entitled to adjust the prices within the framework of the changed circumstances.

6. Payment

- 6.1 Unless otherwise agreed in text form, payments shall be made to us without any deduction within 30 days of the date of the invoice.
- 6.2 Bills of exchange and checks shall only be accepted as payment on the basis of express written agreement. Any discount charges and other bill charges shall be borne by the customer.
- 6.3 We shall have the right to execute or provide deliveries or services still outstanding only against advance payment or the provision of security, if, after conclusion of the contract, we become aware of any circumstances which could either significantly diminish the credit standing of the customer or which jeopardize payment of our open claims owed by the customer from the respective contractual relationship. In such case, we shall also have the right to prohibit the resale and further processing of items delivered subject to retention of title altogether.
- 6.4 We shall be entitled to demand interest on arrears at the statutory rate, however, at least 8 percentage points above the base interest rate per year. If we are able to provide proof of higher damage caused by the delay we shall be entitled to assert such damage claim.

7. Set-off and Retention

- 7.1 The customer may only offset counterclaims that have been expressly acknowledged in writing or that have been recognized by declaratory judgement.
- 7.2 The customer may only enforce a right of retention if his counterclaim is based on the same contractual relationship and has been expressly acknowledged in writing or recognized by declaratory judgement.

8. Software and Customer-specific Integrated Circuits (ICs)

- 8.1 If software, customer-specific ICs and the related documentation and circuits are part of the deliveries and services the customer shall be granted the non-exclusive, non-transferable, revocable and not sub-licensable right of use for internal use by the customer together with the products for which the software and/or ICs have been delivered. Unless a specific licence agreement has been concluded with us in writing, any other use of the software, ICs, circuits and the related documentation, e.g. together with the customer's own hardware or the hardware of any third party, shall be expressly excluded.
- 8.2 We retain all and any other rights to the software, customer-specific ICs and the documentation and circuits including any copies and subsequent supplements thereto. The customer must ensure that such software, ICs and documentation are not disclosed to any third party without our prior written consent.
- 8.3 As a matter of principle, copies may be made only for archiving purposes, as replacements or for troubleshooting. Transfer of source programs requires a specific written agreement. If the originals are marked with a copy-right protection notice, such notice must also be added to the copies by the customer.
- 8.4 Unless otherwise agreed the right of use shall in each case be deemed to be granted with the acknowledgement of order and delivery of the software, the ICs, the related documentation and circuits and any subsequent supplements.

9. Warranty

- 9.1 Upon receipt, the customer shall inspect each shipment for completeness and damage to the packaging. Any complaints must be notified to us in text form without delay. The customer shall ask the carrier to provide a factual statement.
- 9.2 The customer undertakes to immediately inspect the delivery item and to notify us of any apparent defects in text form without delay. The obligation to inspect the delivery items and notify defects shall also include deviations in quantity and identity. Any hidden defects must be notified in text form immediately after being detected. Notification of defects shall include but not be limited to communicating the data relevant to the delivery item: product

number, delivery note number, delivery date, number of acknowledgement of order, production date as well as a detailed description of the defect and the damage resulting therefrom. Upon our request, the customer shall be under the obligation to return the delivery item to which the notice of defect applies to us.

- 9.3 Effective as of the point in time of the obligation to give notice of defects in accordance with item 9.2 hereof the delivery item supplied by us and subject to the notice of defect must no longer be used for further processing or assembly; otherwise all and any claims for defect the customer may have shall no longer apply.
- 9.4 In the event of a defect for which we are responsible, we shall, at our discretion, be entitled to carry out subsequent performance by way of improvement or replacement. Title to a delivery item replaced by us within the framework of replacement shall pass to us. The warranty period shall not commence anew on account of the improvement or replacement. If we refuse to carry out subsequent performance, if the subsequent performance fails or cannot be reasonably expected of the customer, the customer shall be entitled to assert additional legal claims and may in particular demand the purchase price to be reduced or repudiation of contract.
- 9.5 The delivery item shall be deemed free from material defects if it complies with the agreed specification or – if such specification does not exist – with our technical drawing. Any modifications to the design and/or workmanship which neither affect the function nor the value of the delivery item shall be reserved and shall not constitute any defect. Any defects which do not or only insignificantly affect the value and/or fitness for use of the delivery item shall not constitute any claim for defects.
- 9.6 The customer may not assert claims for defects in particular in the following cases: usual wear and tear, inappropriate or improper operation or use, incorrect assembly or start-up, inappropriate or improper storage, faulty or careless handling, improper maintenance, inappropriate equipment, inferior assembly work, unsuitable fields of application, chemical, electro-chemical or electrical influences; use against our product compendium; defects based on designs specified or determined by the customer or based on materials specified, determined or provided by the customer, including sample materials or also other items provided by the customer. In such cases, any claims for defects asserted by the customer can only be taken into consideration if the customer proves that the defects were not caused, either in whole or in part, by the aforesaid influences.
- 9.7 If, in a particular case, we provide project support, such shall always be only within the scope of the overall system specified by the customer. We shall not assume any liability and/or inspection obligations for this overall system even if we offer and deliver items with integrated functional safety.
- 9.8 The warranty period shall be 24 months from delivery, however not exceeding 36 months from our production date. By excluding Section 924 ABGB or similar provisions the customer must substantiate throughout the duration of the warranty period that the defect already existed at the time of delivery.
- 9.9 The provisions stipulated in this paragraph on material defects of delivery items and the respective requirement to give notice of defects shall apply to services provided by us accordingly.
- 10. Warranty for Software**
- 10.1 Following the respective notification of defects by the customer we shall remedy defects in the software supplied (programs, customer-specific ICs and the related documentation and circuits and other records) within a warranty period of 12 months from delivery. At our discretion, remedy will be effected by way of improvement or replacement. The warranty period shall not commence anew on account of the improvement or replacement. If we refuse to carry out improvement or replacement, if improvement or replacement fails or cannot be reasonably expected of the customer, the customer shall be entitled to assert additional claims and may in particular demand the purchase price to be reduced or repudiation of contract.
- 10.2 With current technological standards software defects cannot be completely excluded. Therefore, the customer can only demand improvement if and to the extent that the software delivered significantly deviates from the agreed specifications or if its function is significantly impaired.
- 10.3 Our liability shall be excluded if
 - the minimum requirements regarding the customer's hardware and soft-

- ware environment as cited in the agreed specifications are not met;
- the software has been installed at the customer's on different hardware to the hardware cited in the agreed specifications without our consent, which must be provided in text form;
 - different software to the software disclosed to us when agreement was made on the specifications has been installed on the same hardware or connected hardware of the customer on which the software is installed and the customer does not provide us with evidence that such different software has not caused any disruptions in the use of the delivery item and/or the software;
 - the customer has modified the software without our previous consent in text form or if
 - the customer does not use the Software as intended.

10.4 Only the software that is delivered shall fall under the warranty. We shall only be liable for damage that did not originate in the delivered software itself (in particular consequential damages, costs for fitting and removal of replacements) in accordance with the provisions on damages stipulated in item 12 hereof.

11. Industrial Property Rights, Copyrights

11.1 If use of the delivery item infringes industrial property rights or copyrights in Austria we will, at our expense and on the proviso that the holder of the property right agrees, procure for the customer the right to make further use of the delivery item, or we will modify the delivery item in a way acceptable to the customer so that it no longer infringes the property right. If such is not possible at conditions reasonable from an economic point of view or within a reasonable time period both the customer and we shall have the right to withdraw from the contract.

11.2 The rights of the customer described in item 11.1 above shall be deemed complete and shall only apply if

- the customer informs us immediately and in writing of any property right or copyright infringements which have been asserted;
- the customer provides adequate support in our defense of the claims asserted and enables us to carry out the modification measures described under item 11.1 hereof;
- the infringement is not the result of an instruction given by the customer or if the infringement is not just the result of the customer's combining the delivery item with products or deliveries outside our scope of delivery and if
- the infringement was not caused by the fact that the customer has on his own authority modified the delivery item or used it in a manner contrary to the contract.

12. Damages

12.1 We shall only be liable for damage caused by intent and blatant gross negligence. This limitation shall also apply to any liability of our vicarious agents as per Section 1313a ABGB or similar provisions.

12.2 The foregoing limitation on liability shall not apply to claims under the German Product Liability Act, in the event of injury to life, limb or health.

12.3 Claims for damages by the customer shall be subject to a limitation period of one year after the damaging party and the damage have become known. Such period of limitation shall apply to all contractual and non-contractual damage claims asserted by the customer.

12.4 Our liability towards the customer shall in each case be limited to the amount of the order value. We shall not be liable for any indirect damage, loss of profit, loss of interest, savings that did not materialize, consequential and property damage, damage from claims asserted by third parties, damage which has been unforeseeable or untypical for the contract as well as for the loss of data and programs and their recovery. Claims for damage asserted by the customer over and above a contractual penalty which may have been agreed in an individual case shall be excluded.

13. Provision of Material

13.1 Items provided to us by the customer ("items provided") will, upon receipt, only be inspected by us with respect to identity and transport damage. Any damage detected by us in the course thereof will be notified by us within 20 (twenty) working days. We shall have no further obligations to inspect the goods and give notice of defects.

13.2 We will use the customary care in storing and handling the items provided.

They do not need to be stored separately, to be marked as items provided or to be insured.

13.3 The customer shall bear the exclusive overall responsibility with respect to us but also externally with respect to all and any third parties, in particular with respect to authorities, for design specified or defined by the customer or for material specified, defined or provided by the customer, including sample material and any other items provided.

13.4 Title to items provided that, with the consent of the customer, are processed by us, blended, mixed or united by us with our items shall pass to us.

14. Withdrawal, Taking back Delivery Items without Legal Obligation

14.1 If permissible under Section 25a IO [Austrian Insolvency Code], we shall be entitled to withdraw from the contract, either in whole or in part, if the customer becomes insolvent, runs up excessive debt, discontinues his payments or if an application for the initiation of insolvency proceedings against the assets of the customer is filed. In these circumstances, the customer shall give us permission to enter his business premises during normal business hours and to take possession of our delivery item providing we still hold title to the latter.

14.2 A delivery item which we take back without any legal obligation to do so can, even if it is in perfect condition, only be credited at an amount not exceeding 80% of the invoice; special types or items made to order shall only be credited at their scrap value.

15. Retention of Title

15.1 We retain title to all items delivered by us or on our behalf until each and every claim for payment to our benefit for the respective delivery has been paid in full.

15.2 If the customer is in default of payment or if it becomes apparent that our claims for payment are at risk due to the customer's difficult financial situation based on our retention of title we shall be entitled to take stock and claim the surrender of the items delivered. Under these circumstances, as early as with the present the customer grants us permission to enter his business premises during normal business hours and to repossess the delivery item on our own.

15.3 The customer undertakes to handle the delivery item with due care. He also undertakes to adequately insure the delivery item, at his expense, at its replacement value against fire and water damage and against theft.

In the event of attachments or other third-party interventions the customer undertakes to notify us immediately thereof. The customer shall bear all costs which need to be incurred in order to ensure that such intervention discontinues and to ensure the recovery of the items delivered, to the extent that such costs cannot be collected from such third party.

15.4 Subject to admissible revocation for good cause, the customer shall be entitled to dispose of the items delivered within the framework of his ordinary course of business. In particular it shall not be permitted to pledge the items delivered or use them as security. The customer may only pass on items delivered that are subject to retention of title to the purchaser if the customer is not in default with respect to his obligations to us.

In the event of resale, as early as with the present the customer shall assign to us all and any claims from such resale, in particular claims for payment, but also other claims relating to the sale, up to the total amount of our invoice, including value-added-tax.

Subject to our admissible revocation for good cause, the customer shall be entitled to collect the assigned claims on a fiduciary basis. Resale of the receivables within the framework of actual factoring shall be subject to our prior written consent. For good cause we shall have the right to notify third-party debtors of the assignment of claims also on behalf of the customer. Notification of the assignment to a third-party debtor shall end the customer's right to collect the debt. If the right to collect the debt is revoked, we can require the customer to disclose to us the claims assigned as well as the debtors thereof, to provide us with all information required for collection, to hand over all relevant documents and to notify the debtors of the assignment.

Good cause within the meaning of the present stipulation shall include but not be limited to the customer being in default of payment, the customer having suspended his payments, in the event of insolvency proceedings

- having been initiated against him or in the event of evidence indicating an over-indebtedness or imminent insolvency of the customer.
- 15.5 Handling and processing of the delivery item by the customer shall not affect our title to such item. We shall be deemed to be the manufacturers of the new product, without any further obligation. If the delivery item is processed together with other products which do not belong to us, we shall acquire co-ownership of the new product in proportion to the value of the delivery item (sum total of the invoice inclusive of value-added-tax) and the value of the other processed products at the time of processing. The remaining provisions on retention of title shall apply mutatis mutandis to the new product created by such processing.
- 15.6 If the delivery item is inseparably combined, mixed or blended with other products not belonging to us, we shall acquire co-ownership of the new product in proportion to the value of the delivery item (sum total of the invoice inclusive of value-added-tax) and the value of the other combined, mixed or blended products at the time of such combining, mixing or blending. If the delivery item is combined, mixed or blended in such a way that the product of the customer is to be considered as the principal thing, as early as with the present the customer and we agree that the customer shall assign to us co-ownership of this product on a pro rata basis. The customer shall store the new product for us free of charge.
- If the delivery item is combined, mixed or blended with movable products belonging to a third party in such a way that the product of the third party is to be considered as the principal thing, as early as with the present the customer shall assign to us his claim for remuneration against such third party, i.e. the amount proportionate to the invoice amount of the delivery item.
- The new product created by combining, mixing or blending and/or the (co-) ownership rights to the new product to which we are entitled and/or which are to be assigned to us as well as the payment claims assigned to us shall serve as security for our claims in the same way as the delivery item itself.
- 15.7 If or to the extent that a retention of title or an assignment of claims is ineffective or unenforceable due to mandatory provisions of foreign law, the security corresponding to retention of title or assignment of claims applicable in this area shall be deemed as agreed. If, according to this, the assistance of the customer is required, he must take all steps necessary in order to establish and maintain the security.
- 16. Confidentiality, Publicity**
- 16.1 Unless it can be substantiated that such information is in the public domain, all and any business or technical information disclosed to the customer by us or by a company affiliated to us shall be treated as confidential and may only be disclosed by the customer to any third party with our written consent, whereby such third party must also be bound to secrecy. The customer may only use such information for itself in connection with the order and/or the subsequent use of the item in accordance with the order. Upon our request, all and any information provided by us must be returned to us or be destroyed completely and without delay.
- 16.2 Information within the meaning of this agreement shall be all and any data, plans, programs, knowledge, expertise and know-how, irrespective of their type of recording, storage or transmission and also irrespective of whether such information has – expressly or tacitly – been designated as secret or confidential.
- 16.3 Without our written consent, the customer shall not be entitled to report on or advertise the collaboration with us or in particular to include us in its reference list or use our logo.
- 17. Rights to Consultancy and Development Results**
- 17.1 If consultancy and development is also subject matter of the service provided we shall have sole entitlement to all and any rights to the results of such consultancy and development. This shall apply also and in particular to consultancy and development results which constitute patentable inventions.
- 17.2 For this purpose, the customer shall inform us about all and any results, also interim results, of the consultancy or development services and provide us with all necessary documents, records, prototypes etc..
- 17.3 To the extent that the consultancy and development results constitute patentable inventions, we shall have sole entitlement to apply for the property rights for such results in our name exclusively.
- 17.4 If the consultancy and development results are protected by copyright the customer shall assign to us the exclusive, irrevocable, gratuitous right, unlimited as to time, content and territory, to use the consultancy and development results, either in modified or unmodified form, for all types of use and to grant rights to third parties for all types of use at our discretion.
- 17.5 The customer undertakes to provide reasonable support in assigning, providing evidence of, obtaining validity for, registering and enforcing our rights and our title to all patents, copyrights and other intellectual property rights associated with creations and to all other rights granted and retained by us in all countries on account of the contractual relationship.
- 18. Transfer of Rights and Obligations**
- Any rights and obligations arising out of supply and service contracts shall not be transferrable to any third party. However, we shall have the right to pass on any rights and obligations from contracts on deliveries and services to be performed by us to our affiliated companies. An affiliated company for this purpose shall be a company directly or indirectly controlling us, directly or indirectly controlled by us or directly or indirectly is under common control with us. Therefore, such affiliated companies shall not be deemed third parties within the meaning of these Terms and Conditions of Sale, Delivery and Payment.
- 19. Export**
- The sale, resale and the disposition of deliveries and services as well as of all and any technology or documentation associated herewith may be subject to Austrian, EU or US export control law and the export control law of other states. Any resale to countries subject to an embargo, to denied persons or persons who use or may use the deliveries and services for military purposes, NBC weapons or nuclear technology shall be subject to authorization. The customer declares that his order complies with these laws and regulations and assures that deliveries and services are not supplied to countries, neither directly nor indirectly, with export or import prohibitions or restrictions. The customer must, at his expense, obtain all and any licenses which may be necessary for use and export and/or import of the deliveries and services.
- 20. Place of Performance, Jurisdiction, Applicable Law**
- 20.1 Place of performance for all and any liabilities arising out of the contract, in particular for delivery and payment, shall be the place of delivery stipulated in item 3.1 hereof.
- 20.2 Place of jurisdiction for all and any legal disputes arising out of the contractual relationship, its creation and effectiveness shall for both parties be the seat of E.G.O. in AT-9919 Heinfels if the customer is an entrepreneur or a public law corporation. At our option, we may also bring an action at the seat of the customer or at any other legally permissible place of jurisdiction.
- 20.3 The contractual relationship shall be governed by Austrian law excluding the Austrian conflict of laws provision. The UN Convention on the International Sale of Goods (CISG) shall not apply.