

The general terms of delivery recommended by the Central Association of the Electro-Technical Industry [registered association] Frankfurt for products and services of the electronics industry (GL-ZVEI\*) apply with the following deviations and amendments.

### **§ 1 Scope of Deliveries and Services (Art. I GL-ZVEI)**

- 1.1 Purchasing conditions of the customer are not binding for us.
- 1.2 Quotations, transactions. Our quotations are not binding. Transactions and agreements are only binding once we have confirmed them in writing.
- 1.3 Changes of type. If the transaction regards deliveries or services that are subject to further technical development, we are entitled to deliver the newest type.
- 1.4 Assurance of characteristics. The information in our brochures, product overviews, catalogues, product manuals and other product information, in specifications, job specifications and other technical terms of delivery, in certificates (e.g. certificate of compliance) and other forms do not represent any assurance of characteristics going beyond the normal guarantee in the sense of § 459 paragraph 2 BGB [German Civil Law]. Such assurances of characteristics require separate written confirmation from an authorized director, which must expressly describe itself as such confirmation, for their validity.
- 1.5 Demonstrations equipment. If we make demonstration equipment available to the customer, this are to be regarded as test equipment and not as samples in the sense of § 494 BGB.
- 1.6 Deviations in quantity. In the delivery of staple commodities we reserve the right to over-deliver by up to 10 % and under-deliver by up to 5 % of the ordered quantity.
- 1.7 Part deliveries. Each part delivery counts as a separate transaction.
- 1.8 KIMO reserves proprietary and copyright rights of use to cost forecasts, drawings and other documents without restriction. These may only be made available to third parties after prior agreement.

### **§ 2 Pricing (Art. II GL-ZVEI)**

- 2.1 Value Added Tax. Our prices are without VAT. This is shown separately in the invoice at the rate prevalent at the time of the delivery.
- 2.2 Cost adjustment. We reserve the right to adjust the agreed price to adapt to changed wages and materials costs at the time of the delivery. If the products that are the object of the contract contain precious metals or other materials the value of which is subject to sudden increases, then there is no time-limit for the adjustment of costs.
- 2.3 Orders from German public bodies. If the transaction is subject to VOPR 30/53, then the following applies. Our prices are market prices in the sense of § 4 VOPR 30/53. In place of the agreed price, a cost price will be set, if the competent pricing bureau finally determines that a price assessment in accordance with §§ 3 and 4 VOPR 30/53 is not possible. The determination of the cost price is to be geared to the cost conditions at the time of the delivery in question. Should the agreed price be regarded as the highest price, then the price adjusted to the change in cost according to the cost adjustment clause (§ 2.2) is regarded as such.

### **§ 3 Reservation of title (Art. III GL-ZVEI)**

- 3.1 Ownership. The seller reserves the ownership of all goods delivered by him (reserve goods) up to the payment of all his claims from the business dealings. With exchange money and payment by cheque up to their redemption. This also applies if the purchase price for deliveries of goods specified by the customer is paid. With standing invoices, the reserved ownership of the reserve goods counts as securing for the account-claim of the seller.
- 3.2 Handling and processing of reserve goods take place under exclusion of the acquisition of property according to § 950 BGB without placing an obligation on the seller. The new goods arisen in this way thus remain his property and serve as reserve goods for the securing of his claims in accordance with 3.1.
- 3.3 Combination and mixing. In cases of combination and mixing with goods not belonging to the seller by the purchaser, the stipulations of §§ 947, 948 BGB apply, with the consequence that the co-ownership of the seller of the new goods is now reserve goods in the sense of these conditions.
- 3.4 Pledging and transference of security. Pledging and transference of the reserve goods is prohibited to the purchaser.
- 3.5 Insurance. The purchaser is obliged to insure the goods against fire and theft and to prove the conclusion of insurance to the seller on demand.
- 3.6 Delay. The seller is entitled, in case of delay of payment or of difficulties in paying on the part of the purchaser, to demand the immediate return of the goods not yet sold. The seller is entitled to have the goods sold or auctioned by private contact without prior fixing of a time limit. The revocation of the reserve goods takes place at the value of proceeds achieved, but at the agreed delivery prices at the most.
- 3.7 Reselling. The reselling of the reserve goods and of the goods arising from the handling of the processing is only allowed in regular business transactions.
- 3.8 Cession. Upon demand of the seller, the purchaser is obliged to disclose the cession of his customers, to inform the seller of the exercising of his rights against his customers, to give necessary information as well as to hand over the necessary documents.

### **§ 4 Terms of Payment (Art. IV GL-ZVEI)**

- 4.1 Maturity. Our invoices are to be paid within 30 days of the invoice date without discount deduction.
- 4.2 Cheques and acceptances are on account of payment, the latter only accepted on the basis of special agreements. Bill charges and discount charges according to the rates of the private banks are borne by the purchaser.
- 4.3 Balancing against counterclaims of the purchaser is ruled out.
- 4.4 If there is a delay in payment, delay interest is to be paid, subject to the assertion of further damages. The seller is not obliged to any further delivery from any other standing contract before payment of outstanding invoice amounts including delay interest. If the purchaser is delayed in his payment of an invoice, then all of his liabilities become payable immediately.

### **§ 5 Transport Insurance (Art. VI GL-ZVEI)**

- 5.1 Duties of the purchaser in the event of damage. It is incumbent on the purchaser to proceed as follows for the safeguarding of rights stemming from the insurance contract we have concluded. The delivery is to be examined immediately upon handing over by the carrier for completeness and correct condition. If parts of the delivery are missing or if damage or other circumstances leading to damage or loss in transportation are referred to, then this is to be made a note of on the receipt. If indications of damage in transportation only appear after handing over by the carrier, then notification of this is to be given immediately in writing under observance of the time limit for complaints from the delivery: - 24 hours by shipping by post – 4 days by haulier – 7 days by road, air or rail transport. We are to be informed immediately of the ascertaining of the damage and of all events connected with it. We will conduct negotiations with the insurers.

### **§ 6 Liability for Deficiency (Art. IX GL-ZVEI)**

- 6.1 Claims of the purchaser for compensation for damage from positive infringement of requirements, from the violation of duties in the contractual negotiations and from unlawful action are ruled out.
- 6.2 Principle. We guarantee that our products possess the characteristics given in our appropriate standard documents (catalogues, product manuals, specifications) or agreed in individual cases. The purchaser is exclusively responsible for the suitability of our products for his particular purpose, even if we advise him pro tanto. Patterns are not decisive for the scope of our guarantee.
- 6.3 Receiving inspection, notice of defect. The stipulations of § 377 HGB [German Commercial Law] apply to the purchaser, regardless of whether he is a businessman in the legal sense or not. A goods-in inspection is to be carried out for the safeguarding of guarantee rights and deficiencies or deviations in quantity that are ascertained are to be immediately made known in writing. Simple returning of the goods does not count as notice of defect and does not free the purchaser from the obligation to pay the purchase price. Liability for deficiency is only taken on insofar as replacements are provided on the part of the supply plant. The liability of the supplier is reduced by untimely notice of defect or by independently undertaken interference with the goods. If there is a justified notice of defect, the seller has the right to either remedy the deficiency, or to take back the goods with a credit note for the amount charged, or to provide a replacement free of charge within an appropriate timeframe, or to credit the purchaser with the reduced value of the goods. Claims going beyond this for liability for deficiency and damages, for whatever reason, are ruled out.
- 6.4 Warranty claims shall become statute-barred twelve months after notice of defect was given; notice of defect must promptly be given to the supplier.
- 6.5 The warranty period for subsequent improvements, delivery of replacements or substitute services is six months.
- 6.6 The expiry period for all claims starts with the date of goods arrival at customer's location or, as far as an official acceptance is agreed, at acceptance. For new products the expiry period for all claims shall be 12 months.

### **§ 7 Delivery Deadlines**

Part deliveries are allowed. Unforeseen obstacles to delivery such as cases of acts of God, strike, breakdown in one's own factory or in that of the pre-suppliers, transportation difficulties etc. entitle the seller to completely or partially void the delivery obligations. Damages claims of the purchaser are ruled out.

- 7.1 KIMO always strives to adhere to predicted delivery times. Deadline commitments are only binding, however, if we confirm these in writing. Delivery times start on the day upon which the complete - especially from a technical viewpoint - declared order was submitted and any agreed prepayment was made.
- 7.2 Claims of the purchaser because of non-adherence to the delivery date always require written remainder by the purchaser, even if the delivery deadline is specified by the calendar.
- 7.3 KIMO is not delayed as long as the purchaser is behind with the fulfilling of his obligations. The purchaser can only demand damages in connection with our delivery or service, if we can be charged with intent or gross negligence; any liability for mild negligence is ruled out.
- 7.4 In cases of non-adherence to the delivery time for reasons other than acts of God, the purchaser - insofar as he can prove that damage has been accrued by him due to the delay - can demand delay damages for each completed week of the delay of ½ % up to an amount of 5 % of the value of the part in question of the delivery or service.

### **§ 8 Property Rights**

- 8.1 Circuity. We are not responsible for our products being free of the property rights of third parties relating to electrical circuitry: § 443 BGB is ruled out to this extent.

### **§ 9 Legal domicile and place of performance (Art. XII GL-ZVEI)**

- 9.1 Place of jurisdiction and place of performance is Fürth.
- 9.2 German law applies under the exclusion of United Nations Convention on Contracts for the International Sale of Goods (CISG), the Hague Uniform Sales Law or other according agreements.

### **§ 10 Concluding terms**

Agreements deviating from the above listed conditions apply only if expressly accepted by the supplier in writing. The ineffectiveness of individual conditions and also of parts of individual conditions does not affect the validity of the remaining contractual conditions.

This translation is in good faith but in case of deviation from the original German Terms of Delivery "Allgemeine Lieferbedingungen" the German version is binding.

Dated: April 2019