

General Terms and Conditions of Supply

The following General Terms and Conditions of Supply shall be incorporated into all contracts for the sale of goods or for the supply of services entered into with DH electronics GmbH (hereinafter referred to as "DH").

1. Formation of contract

- a) If the party dealing with DH also uses general terms and conditions of business, a contract shall come into existence even in the absence of express agreement on the incorporation of general terms and conditions of business. In place of any conflicting terms of the parties the dispositive provisions of the law shall apply. If DH's general terms and conditions of supply contain terms which are not contained in the customer's general terms and conditions, DH's general terms and conditions shall apply. If the customer's general terms and conditions contain terms which are not contained in DH's general terms and conditions, the provisions of the general law shall apply.
- b) All agreements entered into, representations made, and additional terms or amendments agreed at the time of contract formation must be reduced to writing.

2. Shipping and delivery

- a) Goods are shipped at the customer's risk. The mode of shipment shall be at the discretion of DH. The costs of shipment shall be borne by the customer. DH accepts no liability for damage to goods in transit. The cost of transport insurance shall be borne by the customer.
- b) The agreed period for delivery shall begin on the day the order is confirmed, but not before the customer has supplied the particulars required to execute the order.
- c) Delivery dates are conditional on DH receiving supplies from its own suppliers and on delivery capability. In the event of unforeseeable obstacles to delivery, such as, for example, force majeure, strike, war, rebellion, whether affecting DH or its suppliers, DH shall be entitled to avoid the contract.
- d) In the event of overdue delivery, the customer shall be entitled to avoid the contract after first giving written notice to DH allowing an extension of time for performance of not less than 3 weeks.
- e) Where necessary, the customer shall dispose of the supplied goods at their own expense in accordance with the provisions of law (ElektroG (Electrical and Electronic Equipment Act)).

3. Reservation of title

- a) DH shall retain title to all goods supplied until full satisfaction of all claims, including credit balance claims, arising on any legal basis whatsoever against the customer.
- b) The customer shall be entitled to utilise the reserved goods in the ordinary course of business and to sell them. The customer hereby assigns to DH to the extent of its liabilities to DH its claims against its own customers arising out of the on-sale of the reserved goods or on any other legal basis.
- c) The customer is given authority, which is subject to revocation, to collect the assigned claims in its own name. If DH so requests, the customer shall disclose the fact of the assignment of its claims, give DH the name of the debtor and require the debtor to make payment exclusively to DH.
- d) In the event of breach of contract by the customer (e.g. account overdue), DH shall be entitled to recover possession of the reserved goods and, after giving formal notice to the customer, to dispose of same at the best available price. The proceeds of such sale shall be set off against the purchase price. Repossession or seizure of the reserved goods by DH shall not have the effect of avoiding the contract – save where so prescribed by mandatory provision of the law.
- e) The customer shall be bound to notify DH immediately in writing of any action taken by a third party in relation to the reserved goods.

4. Prices, payment, offsetting, right of retention

- a) All prices quoted by DH are exclusive of the costs of packaging, shipping and transport insurance ex Bergen and of value added tax at the prevailing rate. The list price current on the day of delivery shall apply.
- b) Settlement is due at the latest 30 days from invoice date net cash.
- c) Payments received will be applied by priority to the longest standing liability, unless the customer specifically stipulates otherwise. This practice will also apply if current account liabilities are offset. Bills of exchange and cheques are accepted by DH only on condition of their being honoured. Discounting expenses shall be borne by the customer.
- d) The transaction costs shall be borne by the customer.
- e) In the event of the customer's account being overdue, the outstanding liability shall attract interest at a rate of eight percentage points per annum above the base rate of the ECB (European Central Bank).
- f) The customer shall be entitled to set off its liabilities against claims of its own against DH only if the claims in question are undisputed or have been upheld with finality by a court of law. The customer shall only have a right of lien, whether pursuant to § 369 HGB (German Commercial Code) or otherwise if the claims in question are undisputed or have been upheld with finality by a court of law.

5. Obligation to examine goods and to give notice of defects

- a) Within 8 working days after delivery, the customer shall examine the goods supplied together with any accompanying documentation, in particular to check that they are complete and in good working order.

Obvious defects must be notified in writing to DH before the end of the aforesaid 10 day period. The defects are to be described in the greatest possible detail. Where a defect report form is used, the relevant instructions shall be followed. The defective goods shall be precisely identified by specifying the relevant identification codes.

- b) Defects which are not capable of detection by means of an examination duly conducted in accordance with paragraph a) above shall be reported within 8 working days after the discovery thereof and in accordance with the reporting procedures referred to in paragraph a) above.
- c) In the event of breach by the customer of its obligation to examine the goods and give notice of any defects, as provided for above, the goods shall be deemed to have been accepted in the knowledge of any defect present.

6. Warranty

- a) For the duration of the warranty period DH will remedy any defects in the goods supplied including the accompanying documentation and other materials upon written notification of such defects by the customer. The goods will be either repaired or replaced at the customer's election.
- b) The guarantee period shall be one year from the date of delivery.
- c) If after repair or replacement the delivery is still defective the customer may exercise the right to avoid the contract or to require an abatement of the purchase price.

7. Decompilation and program modifications

- a) The retranslation of program codes supplied into other code forms (decompilation) or other methods or retracing the various stages of production of the software (reverse-engineering) including modifications thereto shall be permissible only to the extent provided for under § 69 e UrhG (German Copyright Act).
- b) Copyright marks, serial numbers and other features serving to identify the software may under no circumstances be removed or altered.

8. Liability

- a) DH shall be liable without limitation in the case of death, bodily injury or damage to health, including cases where such events are caused by DH's directors or employees.
- b) Save as provided for in the preceding paragraph a), DH shall have unlimited liability only in the event of wilful misconduct or gross negligence on the part of DH or its officers and employees. DH shall be liable for the acts or omissions of its other agents only to the extent described in paragraph d).
- c) DH shall bear liability in respect of minor negligence only if an obligation is broken the observance of which is of key importance to the achievement of the purpose of the contract (key obligation). In the event of a breach of a key obligation the limitation of liability as set out in paragraph d) shall apply.
- d) Liability for initial impossibility shall be limited to a maximum of five times the supply price and to such kinds of loss or damage as typically occur in connection with the supply of software. This limitation of liability shall also apply for consequential loss or damage caused by a breach of duty (e.g. lost profit).
- e) Liability for data loss shall be limited to the typical data recovery cost which would have been incurred had the data been regularly backed up having due regard to the level of risk involved.
- f) Liability under the *Produkthaftungsgesetz* (German Product Liability Act) shall remain unaffected.

9. Choice of law

The legal relations between DH and its customer arising out of this contractual relationship shall be governed by the laws of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

10. Place of performance and jurisdiction

- a) The place of performance of all obligations of the parties to each other arising out of this contractual relationship shall be DH's registered office in Bergen.
- b) The courts of Traunstein shall have jurisdiction over disputes arising out of this contractual relationship.

11. Severability clause

The effectiveness of any contract or of these General Terms and Conditions of Supply shall not be affected by the invalidity of individual provisions contained therein.