

General Terms and Conditions of Sale (February 1st 2019)

For the delivery of all new products by MD ELEKTRONIK at all locations (referred to as MD hereafter), as well as all associated services, including delivery, installation and mounting services, the following apply: - The "General Conditions for the Supply of Products and Services of the Electrical and Electronics Industry" of the Zentralverband der Elektroindustrie (ZVEI = German Electrical and Electronic Manufacturers' Association), dated January 2018 (hereafter referred to as the ZVEI Conditions), as well as - The "Supplementary Clause: Extended Retention of Title" from the ZVEI, dated June 2011 which we will make available upon request as well as: - The following supplementary General Terms and Conditions of Sale. In case of contradictions, the following supplementary General Terms and Conditions of Sale have precedence over the ZVEI Conditions. General conditions from the Purchaser are not recognized.

(1) Quotes submitted by MD are always considered to be of a non-binding nature and subject to confirmation and are only deemed accepted if a written confirmation of order is sent or the goods are shipped. This rule also applies if MD has given or sent to the Purchaser any catalogs, technical documentation (e.g. drawings, plans, calculations, cost estimates, referral to DIN standards), any other product descriptions or documents (including but not limited to documents in electronic form) with respect to which MD reserves title and copyright. As a result of a purchase order, the Purchaser becomes obliged to take delivery. A quantity variance with a quantity in deviation thereof is only permitted upon MD's prior written consent.

(2) MD reserves the right to adjust the prices of its products correspondingly if the market situation forces MD to purchase raw materials at prices that are higher than they were at the time the contract was agreed to. If raw materials are temporarily not available on the market, the delivery times will increase correspondingly.

(3) The delivered quantity may deviate from the ordered quantity by a maximum of 10% plus or minus. Any invoices sent are based on the actual quantity delivered.

(4) MD has the right to make partial delivery within a scope the Purchaser can reasonably be expected to tolerate. If partial delivery has been made, MD has the right to claim partial payment for such partial delivery.

(5) If the Purchaser is in delay and in arrears with payment, MD has the right to charge the Purchaser default interest and withhold any contractual performance that may still be outstanding at the time, if any, until all of the amounts payable have been settled. If there are justified doubts as to the solvency of the Purchaser, MD also reserves the right to make performance of outstanding contractual performance conditional upon the provision of a judicial bond or to demand an advance payment.

(6) If MD renders development services for the Purchaser, or has to purchase tools specifically for the Purchaser's order and does not charge the Purchaser directly for them, then the Purchaser is obliged to purchase the minimum quantities stipulated in the Supply Contract. If the Purchaser purchases less than the agreed minimum quantities, then the Purchaser is obliged to pay MD in full, for the remaining development or acquisition costs as originally quoted. If MD performs development for the Purchaser and the Purchaser terminates the contract before said development has been completed, or before purchasing the products resulting from said development, then the Purchaser has to reimburse MD for the development costs incurred.

(7) Any dates that are designated in the quote, order confirmation or shipping documents, as "binding date" or "confirmed date" are to be considered to be dates that are legally binding, meaning that MD would be in default regarding any delays in delivery by said date, unless MD could prove that MD is not responsible for the delays. Any dates that are designated in the quote, order confirmation or shipping documents as "scheduled date" or "requested date" are to be considered

to be dates that are not legally binding to the extent that they are only to be considered to be due upon specific request having been made by the Purchaser, setting a reasonable period of grace.

(8) MD reserves title to goods sold until all of the claims MD may have now or in future on the basis of the purchasing agreement and the current business relationship (secured claims) have been settled.

Until further notice according to (c) below, the Purchaser has the right to continue reselling and/or processing the goods concerning which MD reserves title in the course of ordinary business operations. In this case, the following provisions apply in supplement.

(a) The reservation of ownership extends to the full value of products created as a result of processing, commixtion or accession of goods delivered by MD with MD being considered the manufacturer. In the event that third-party property rights were to continue to attach to goods created as a result of processing, commixtion or accession, MD becomes the proportional co-owner of them at the fraction of the res that corresponds to the invoice value of the processed, mixed or physically united/added goods. Otherwise the same rule as applies to goods delivered subject to reservation of ownership applies to products created.

(b) The Purchaser, pursuant to the preceding paragraph, already at this stage agrees to assign to MD, as a whole or in the amount of MD's co-ownership share, if any, claims against third parties created by resale of goods. MD agrees to accept such assignment.

(c) The Purchaser, alongside MD, has the right to collect the receivables. MD undertakes to refrain from collecting such receivable for on condition that the Purchaser satisfies any payment obligations it may have vis-à-vis MD, the Purchaser's efficiency is not impaired and MD does not assert its reservation of title. Should this be the case, however, MD may request that the Purchaser disclose to MD the claims assigned as well as the identity of the persons owing these amounts (debtors), provide any information that may be required for collecting the claims, hand out the related documents and notify the debtors (third parties) of the assignment of the claims. MD is in this case also entitled to revoke the Purchaser's right to sell on and process the goods subject to reservation of ownership.

(d) Where the realizable value of collateral exceeds the value of MD's claims by more than 10%, MD will, at the Purchaser's request, release collateral of MD's choice.

(9) It is not permitted for the Purchaser to pledge the goods delivered subject to reservation of ownership or transfer ownership of them for the security of a debt. This rule applies correspondingly with respect to receivables assigned pursuant to section (8) (b) above.

(10) After advance agreement, MD will grant the Purchaser access to its operating site. A technically qualified employee assigned by MD will be present and available at all times during this visit. MD reserves the right to decide which areas, production procedures and/or documents, and to what extent, the Purchaser will be granted access to.

(11) As far as goods deficient on transfer of risks are concerned, MD will, at its option, either make a repeat delivery or rectify performance free of charge. The right to refuse supplementary or alternative performance subject to statutory conditions remains unaffected. The Purchaser has to give MD both enough time and opportunity to allow MD to make supplementary or alternative performance and, in particular, hand out the goods subject of the complaint for test purposes. In case of delivery of a substitute for the defective or non-conforming product, the Purchaser has to return the defective object to MD in compliance with the provisions of the law. Supplementary or alternative performance neither includes dismantling of defective or non-conforming object nor repeated installation unless MD also had the obligation to install originally. The necessary expenses incurred for having the defects removed, including but not limited to transportation costs, travel costs, labor costs and material costs as well as explicitly also installation and dismantling costs will be borne by MD only to the extent required by law if there is actually a defect or non-conformity. The Purchaser agrees to otherwise indemnify MD for the costs incurred for the Purchaser's

unjustified request to have the defect removed (including but not limited to testing and transportation costs) unless it was impossible for the Purchaser to recognize the absence of a defect. The Purchaser's claims for defects are conditional upon the Purchaser having satisfied its statutory duty to inspect and object to defects (sections 377 & 381 of the German Commercial Code, HGB). In case goods are to be used for installation or processing in any other way, the goods must definitely be inspected prior to processing.

(12) MD may refuse to make supplementary or alternative performance where disproportionately high costs would be incurred. The costs of supplementary or alternative performance are deemed disproportionately high if they are higher than the value of the defective or non-conforming goods.

(13) No claims for defects may be asserted if the defect or non-conformity is insignificant. When determining whether a visual defect is insignificant or not, it also needs to be considered whether the defect in the parts delivered by MD will still be visible after installation in the vehicle.

(14) Warranty on the part of MD is excluded in particular when the Purchaser has used the parts delivered by MD in applications other than those approved by MD or in other environments or conditions of use and installation than provided for in the specifications. MD, in particular, refuses to accept any lump-sum costs charged for damage or complaint that may be claimed by the Purchaser.

(15) MD may not be held liable by the Purchaser for breach of duty by a subcontractor of MD. Such exclusion applies in particular when MD is unable to perform its contractual duties vis-à-vis the Purchaser because one of MD's suppliers has defaulted.

(16) If the product ordered by the Purchaser is a prototype or a pre-series product (hereafter collectively referred to as a non-series product), then it has not been built in the normal flow of series production nor has it been inspected and tested as a series product. Use of a non-series product is at the sole risk of, and danger to, the Purchaser, according to whose specific instructions the product was delivered in the form of a non-series product. It is therefore the Purchaser's responsibility to ensure that the non-series product is not used in the current series production, but only in a sufficiently protected test environment. MD is liable for damages caused by a non-series product only in cases of intent or gross negligence leading to physical damage, injury to health, or loss of life.

(17) In derogation of section 438 (1) cl. 3 of the German Civil Code (BGB), claims for material and legal defects become statute-barred under the general limitation period one (1) year after delivery. In case of agreement of performance of an acceptance test, the time relevant for calculating the period of limitations starts to run following acceptance.

(18) Individual agreements made with the Purchaser on a case-by-case basis (including incidental agreements, amendments and changes) always have to be given priority over these General Terms and Conditions of Sale. Unless proven otherwise, the contents of such agreements have to be agreed by way of a written contract or must be acknowledged by MD in writing.

(19) The original text of these General Terms and Conditions of Sale has been drawn up in German. If there are any discrepancies between the English and German versions, the German text prevails in all instances.

--- End of General Terms and Conditions of Sale ---

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