

General Terms and Conditions for Sales and Deliveries of RUTRONIK Electronics Asia Shenzhen Ltd.
– As of: May 2015 –

1. General Provisions - Scope of Application

- 1.1 These General Terms and Conditions apply to all business transactions between RUTRONIK Electronics Asia Shenzhen Ltd (hereinafter: "Seller") and its customers (hereinafter: "Purchaser"), even if not referred to in subsequent contracts. They apply accordingly to works and services. These General Terms and Conditions shall apply exclusively. Terms and conditions of the Purchaser that conflict with, supplement or deviate from the present General Terms and Conditions shall not form part of the contract unless the Seller has given its express consent that they may apply.
- 1.2 These General Terms and Conditions apply even if the Seller, while being aware of conflicting or deviating terms and conditions, carries out the delivery without reservations, or if the Seller does not enclose these General Terms and Conditions in future transactions in the particular case.
- 1.3 Separate agreements that are made in individual cases with the Purchaser shall prevail with regard to the stipulated regulations over these General Terms and Conditions unless otherwise stated.
- 1.4 Any other rights that go beyond these General Terms and Conditions that the Seller may have under statutory provisions shall not be affected.
- 1.5 These Terms and conditions are available in Chinese and in English. In the event of contradictions or lack of clarity, the Chinese version shall prevail.

2. Offer and Conclusion of Contract

- 2.1 The Seller's offers are subject to confirmation and are non-binding unless they are expressly stated to be binding.
- 2.2 Orders of the Purchaser contain binding offers. The Seller may accept the orders within 10 days following receipt.
- 2.3 Decisive for determining the time of the conclusion of the contract shall be the receipt of the Seller's confirmation of order with the Purchaser or if the order is carried out immediately the shipment of the ordered goods.
- 2.4 If the Purchaser has objections to the contents of the confirmation of the order or to the goods sent, the Purchaser must object to the same without undue delay. Otherwise, the contract comes about in accordance with, and with the contents set forth in, the confirmation of the order.
- 2.5 The Seller reserves the right to discontinue distributing individual products with former notice to the Purchaser within two weeks at any time on reasonable grounds and without liability.

3. Product Specification

- 3.1 If the contract concerns delivery items that are subject to technological change, the Seller is entitled to carry out the delivery of the goods in accordance with the manufacturer's most recent data sheet, as amended from time to time, provided the usage for the contractually agreed purpose is not affected. Similarly, commercially obtainable deviations and other deviations resulting from legal requirements shall be allowed, provided the usage for the contractually agreed purpose is not affected. The Purchaser shall be obliged to advise the Seller if the Purchaser is only interested in the type ordered and that this type may under no circumstances differ.
- 3.2 Information about the goods distributed by the Seller (e.g. weight, measurements, utility values, load-bearing capacity, tolerances and technical data) as well as any images of the same (e.g., drawings and illustrations), especially information contained in brochures, type lists, catalogues, data sheets, advertising material, specifications and descriptions, functional specifications and other technical supply conditions, certificates (e.g., certificate of compliance) and other documents – constitutes no guarantee of the Seller as to the quality and state or durability of the goods.
- 3.3 Samples of the goods distributed by the Seller are deemed test samples and do not constitute a guarantee as to the quality and state of the goods, either, without a specific agreement to this effect. The applicable tolerances must be complied with.
- 3.4 As statistical means, data from the manufacturer concerning the reliability of the goods supplied serve exclusively orientation purposes and do not relate to individual deliveries or lots.

4. Prices/Adjustment of Prices

- 4.1 Unless otherwise agreed, the prices stated in the Seller's confirmation of the order shall apply. The prices only apply to the services and deliveries set out in the order confirmation. Unless otherwise agreed, the prices include the cost of packaging, freight, insurance, customs, public levies and VAT. Statutory VAT will be stated separately in the invoice, at the statutory rate applicable on the

day the invoice is issued.

- 4.2 Unless otherwise agreed, in the event that between the conclusion of the contract and delivery of the ordered goods, there is an increase in costs for which the Seller is not responsible and which was not foreseeable by the Seller, especially if such increase is based on changes to the market prices, material prices or commodity prices, which mean that the Seller could only buy the goods from its suppliers at less favourable conditions than those that were foreseeable at the time the contract was concluded with the Purchaser, the Seller has the right to adjust the prices that were agreed with the Purchaser within the limits of the changed circumstances and without charging an additional profit, if the goods are to be delivered at least two months after the conclusion of the contract. The same shall apply if, as a result of fluctuations in the exchange rate, the Seller could buy the goods from its suppliers at less favourable conditions than those that were foreseeable at the time the contract was concluded with the Purchaser. If the purchase price agreed with the Purchaser increases by more than 10%, the Purchaser may rescind the contract.
- 4.3 The Seller shall be entitled to make deliveries or provide services only against prior payment or deposit, if after the conclusion of the contract the Seller becomes aware of circumstances that could considerably reduce the Purchaser's creditworthiness and on account of which the Seller could run the risk that the Purchaser will not be able to settle its outstanding claims with the Seller resulting from the relevant contract. The same shall apply if the Purchaser refuses to pay the Seller's outstanding claims or does not pay such and no legally established or undisputed objections have been raised against the Seller's claims.

5. Terms of Payment

- 5.1 To the extent not otherwise agreed upon in writing, all invoices of the Seller must be paid forthwith, without any deduction whatsoever.
- 5.2 Bills of exchange and checks are accepted only on the basis of an express agreement in writing, and only on behalf of payment. Discount charges and other costs in respect of a bill of exchange or a check must be borne by the Purchaser. The Seller's rights under Section 9 of these General Terms and Conditions below remain unaffected until all claims under bills of exchange have been settled in full.
- 5.3 The Seller is entitled to count payments from the Purchaser towards the Purchaser's oldest debt first. If costs and interest have already accrued, the Seller is entitled to count the payment towards the costs first, then towards interest, and finally towards the principal claim.
- 5.4 If the Purchaser does not accept the purchased goods after the reasonable period of additional time given to the Purchaser has elapsed (default of acceptance), the Seller shall be entitled to claim an administration fee (for storage costs starting from this period. This fee shall amount to 1% of the purchase price without the need to furnish any specific proof for each started week and shall be limited to 5% of the purchase price. The Purchaser and the Seller reserve the right to produce the specific proof that proves that as a result of the failure to accept the goods, no decrease or increase has been made to the storage costs, other than that set out in the administration fee provided by the Seller. Any other claims remain unaffected.

6. Set off, Retention, Assignment

- 6.1 The Purchaser is only entitled to offset counterclaims or assert a right to retention if such claims have been confirmed by final court judgment or are undisputed.
- 6.2 The assignment of any claims of the Purchaser against the Seller shall require the Seller's written consent to become effective. The Seller shall only refuse to give its consent on legitimate grounds.

7. Time and Scope of Delivery, Reservation of Timely Supply to the Seller, Delay in Delivery

- 7.1 Delivery shall be made free of charge.
- 7.2 Delivery periods and dates shall only be binding for the Seller if the Seller explicitly states or confirms that they are binding. An agreed delivery period is deemed observed if the goods have left the Seller's premises by the time the period expires or the Seller has informed the Purchaser that the goods are ready to be dispatched, but the goods have not left the Seller's premises as a result of the Purchaser's announcement that it will not accept such.
- 7.3 Agreed delivery periods shall begin with the dispatch of the Seller's order confirmation; it shall not begin, however, until such time as the Purchaser has provided all documents, permits and releases that the Purchaser has to provide, all questions have been answered and the agreed down-payment, if any, has been received. In order for the delivery period or the delivery date to be observed, the Purchaser must timely and properly fulfil all of its other obligations. Compliance with the agreed delivery periods and delivery dates is subject to the condition that the Seller is timely and properly supplied by its own

suppliers.

7.4 Part deliveries are allowed, if the part deliveries are usable for the Purchaser within the framework of the contractually agreed purpose, the delivery of the remaining ordered goods is ensured and no significant work or additional costs are incurred by the Seller.

7.5 The Seller reserves the right to make excess or short deliveries of up to 5% of the quantity to be delivered for production-related technical reasons. There will be no refund for short deliveries.

7.6 The Purchaser is entitled to rescind the contract if the Seller is in delay with delivery, the start of such delay shall be determined by the statutory provisions, and if, upon occurrence of the delay, the Purchaser has set a reasonable additional period of time for subsequent performance by the Seller, also stating that it will refuse acceptance thereafter, and this additional period of time has expired to no avail.

8. Passing of Risk/Dispatch

8.1 The risk of an accidental loss or deterioration of the goods passes to the Purchaser at the latest with the delivery of the goods to the Purchaser or, if it is agreed that the goods will be shipped, already on the handing over of the goods to the shipping company, freight carrier or to any other person instructed to carry out the shipment. This shall also apply to part deliveries or if shipment is made "freight paid" or it has been agreed that delivery is free of charge. In the absence of written instructions from the Purchaser, the Seller will choose the carrier and the itinerary at its own discretion. At the request and expense of the Purchaser, the Seller will take out a transport insurance policy to insure the goods against the risks specified by the Purchaser.

8.2 If there is a delay in handing over or shipment for reasons for which the Purchaser is responsible, the risk shall pass to the Purchaser on the day the goods were ready to be dispatched and the Seller informed the Purchaser of such.

8.3 If the Seller chooses the manner of shipment, the dispatch route and/or the person to carry out the shipment, the Seller is solely liable for willful misconduct and gross negligence resulting from this choice.

9. Retention of Title

9.1 Title to the goods supplied shall remain vested in the Seller until all claims of the Seller against the Purchaser that arise from the business relationship have been settled in full. These claims also include claims under checks and bills of exchange, as well as current-account claims. If the Seller becomes liable under a bill of exchange in connection with payment, the retention of title does not expire until such time as an assertion of claims against the Seller under the bill of exchange is excluded. The Purchaser is under obligation to handle the goods that are subject to this retention of title clause with due care for the duration of the retention of title. In particular, the Purchaser is obligated to sufficiently insure the goods at the Purchaser's own expense against damage by fire, water, and theft at their replacement value. The Purchaser assigns to the Seller already now all claims for compensation under this insurance. The Seller hereby accepts the assignment. If an assignment is not admissible, the Purchaser hereby irrevocably instructs its insurer to make payments, if any, solely to the Seller. Further-reaching claims of the Seller remain unaffected. Upon request, the Purchaser must provide the Seller with evidence of the conclusion of the insurance contract.

9.2 The Purchaser may sell the goods that are subject to this retention of title clause only within the framework of the ordinary course of business. The Purchaser is not entitled to pledge the goods that are subject to this retention of title clause or to assign them by way of security or to make any other disposition which jeopardizes the ownership of the Seller. In the event of attachments or other encroachments by third parties, the Purchaser must notify the Seller without undue delay in writing and furnish all necessary information; additionally, the Purchaser must inform the third party of the Seller's property rights and assist with the measures taken by the Seller for the protection of the goods that are subject to this retention of title clause. The Purchaser bears all costs for which it is responsible and which are necessary for the removal of the encroachment and the recovery of the goods, to the extent that these costs cannot be obtained from the third party.

9.3 The Purchaser assigns to the Seller already now the claims arising from the resale of the goods with all ancillary rights, regardless of whether the goods that are subject to this retention of title clause are resold without or after further processing. The Seller accepts this assignment already now. If an assignment is not permissible, the Purchaser hereby irrevocably instructs the third-party debtor to make payments, if any, solely to the Seller. Subject to revocation, the Purchaser is authorized to collect the claims that have been assigned to the Seller on a trust basis on behalf of the Seller. All amounts collected must forthwith be remitted to the Seller. The Seller may revoke the authorization of the Purchaser to collect these claims, as well as the Purchaser's authority to resell, if the Purchaser fails to properly fulfil its obligations to pay in relation to the Seller, if the Purchaser is in arrears with payment or stops payment, or if an application for the institution of insolvency proceedings against the assets of the Purchaser is filed. Any resale of these claims is subject to prior approval by the Seller. With the notification of the assignment to the third-party debtor, the Purchaser's authority to collect expires. In the event of a revocation of the authority to collect, the Seller may require the Purchaser to disclose all claims

assigned, as well as the respective debtors, to provide all information necessary for collection, to furnish the related documents, and to inform the debtors of the assignment.

9.4 In the event of default of payment on the part of the Purchaser, the Seller is entitled to rescind the contract without prejudice to its other rights. The Purchaser must immediately grant the Seller, or any third party commissioned by the Seller, access to the goods that are subject to this retention of title clause, must surrender such goods and inform the Seller where these goods are located. After a timely warning to such effect, the Seller may otherwise dispose of the goods that are subject to this retention of title clause for the purpose of satisfying its due claims against the Purchaser.

9.5 Any processing or transformation of the goods that are subject to this retention of title clause by the Purchaser shall take place on behalf of the Seller. The Purchaser's right to acquire the goods that are subject to this retention of title clause continues in respect of the processed or transformed item. If the goods are processed, combined or mixed with other goods that are not owned by the Seller, the Seller acquires co-ownership of the new item in proportion to the ratio of the value of the goods delivered to the value of the other goods processed at the time of processing. The Purchaser shall store the new goods on behalf of the Seller. In all other respects, the item created through processing or transformation shall be governed by the same provisions as the goods that are subject to this retention of title clause.

9.6 At the request of the Purchaser, the Seller is obligated to release the security interests to which the Seller is entitled to the extent that the realizable value of such security exceeds the Seller's claims arising from the business relationship with the Purchaser by more than 20%, also taking into account the valuation discounts customary in banking. For valuation purposes, goods that are subject to this retention of title clause are to be assessed on the basis of their invoice value, and claims are to be assessed on the basis of their nominal value.

9.7 If goods are delivered to destinations with other legal systems in which the retention of title rules set forth under nos. 9.1 to 9.6 above provide less security than in the Federal Republic of Germany, the Purchaser hereby grants the Seller a corresponding security interest. If further declarations or acts are necessary for this purpose, the Purchaser will make these declarations and perform these acts. The Purchaser will assist in all measures that are necessary for and conducive to the validity and enforceability of such security interests.

10. Claims based on Defects, Restriction on Use, Liability

10.1 **The basis for any liability for defects by the Seller shall be the agreed quality of the goods. The specifications in the manufacturers' data sheets shall be deemed the agreed quality, as defined in Sec. 153 Chinese Contract Law. The Seller warrants that the goods supplied have the characteristics that have been specified in writing – in verifiable technical parameters – by the manufacturer or by mutual agreement.**

10.2 **The goods supplied are intended solely for the purposes specified by the respective manufacturer in the individual product specification. These purposes do not include the use of the goods in life-saving or life-supporting medical equipment, in military systems, in nuclear plants, in aerospace technology, in combustion control systems, in transportation, in traffic, in safety equipment and in equipment or systems where a failure or malfunction of the product can, upon reasonable assessment, lead to death, bodily injury or damage to health or to an extraordinarily high property damage and/or financial loss (hereinafter "excluded usage"), unless the respective manufacturer or the Seller has expressly consented to using the product for such excluded usage. If, however, the Purchaser uses a product for such excluded usage without obtaining the aforesaid express consent, the Purchaser shall bear the exclusive risk for such use. Subject to Sec. 10.16, the Seller shall not assume liability for damages incurred in using the product for such excluded usage unless the Seller's prior express consent has been obtained. The Purchaser undertakes to indemnify and hold the Seller harmless from any third party claims for bodily injury and/or damage to property, if these damages were caused by using the products for excluded usage without obtaining the prior written consent of the respective manufacturer or the Seller. To the same extent, the Purchaser shall be responsible for the suitability and safety of the goods for the applications used by the Purchaser, unless otherwise expressly agreed. The Seller gives no guarantee with regards to the goods, especially no guarantee in respect of the quality and state or durability of the goods.**

10.3 **If the Seller processes the goods to be supplied by order of the Purchaser (e.g., if the Seller bends or cuts, de-reels or rewinds connections), the provisions under nos. 10.1 and 10.2 above apply accordingly. In this case, the Seller undertakes to process the goods with due care in accordance with the Purchaser's specifications, as agreed upon in writing, without liability for the possible effects of such processing on the functioning of the product.**

10.4 **As a prerequisite for the Purchaser's rights based on defects, the Purchaser must fulfil its legal duty to inspect and report any defects (Secs. 157, 158 Chinese Contract Law), in particular, examine the delivered goods upon receipt and report obvious defects and defects which would normally be seen in such examination, to the Seller in writing without undue delay upon receipt of the goods. Hidden defects have to be reported to the Seller**

- in writing without undue delay once they have been discovered. Without undue delay shall mean the notification, if made within two weeks, in the event of obvious defects and defects which would normally be seen within the course of an ordinary inspection, upon delivery or in the event of hidden defects once they have been discovered; sending the notification or report shall suffice to meet the deadline. In the event that the Purchaser fails to examine the goods properly and/or fails to report a defect, the Seller shall not be held liable for such defect. When reporting defects to the Seller, the Purchaser shall provide the Seller with a written description of the defects in the report.
- 10.5 If the Seller delivers the goods in lots that allow a statistical receiving quality inspection according to the rules customary in this respect, at least this inspection must be performed as receiving inspection. The inspection must be carried out in accordance with the inspection conditions and criteria set forth in the relevant standard documents. Any lot accepted during this inspection will be deemed free of defects. A rejected lot will be replaced by the Seller with a lot that is free of defects subject to the return of the defective lot in its entirety. The Seller may instead replace the defective parts of the rejected lot with parts that are free of defects upon consultation with the Purchaser.
- 10.6 The Purchaser is obliged to firstly send the Seller the goods for examination at its own expense. Any necessary expenses incurred in examining and subsequent performance, especially transport, travelling, labour or material costs, shall only be borne by the Seller if it transpires during the examination that a defect actually exists, to the extent that there is no increase in these costs and expenses due to the fact that the goods have been brought to a place other than the delivery address by the Purchaser.
- 10.7 If the goods are defective, the Seller is initially entitled, within a reasonable period, to choose subsequent performance by remedying the defect or, by choosing to deliver goods that are free from defects. The Purchaser may return defective goods to the Seller for subsequent performance only upon prior approval in writing according to the Seller's rules applicable for this purpose (RMA procedure). The risk of an accidental loss or deterioration of the goods does not pass until they have been accepted by the Seller at the Seller's place of business. The Seller is entitled to refuse return shipments without a previously issued RMA number.
- 10.8 The Purchaser's right to rescind the contract is excluded if the Purchaser is not able to return the goods received unless this inability is due to the fact that a return is impossible according to the nature of the goods received, the Seller is responsible for such inability, or the defect has only become apparent when processing or transforming the goods. The right to rescind the contract is further excluded if the Seller is not responsible for the defect or if the Seller has delivered custom-made goods.
- 10.9 The Purchaser's warranty claims shall be forfeited if the Purchaser tries to repair the goods either itself or through a third party or the Purchaser or a third party changes the goods without the Seller's consent and as a result, remedying the defect is made impossible or unacceptably difficult.
- 10.10 The Seller is only liable in case of (a) damages covered from a guarantee issued by the Seller, (b) personal injuries sustained by the Purchaser, (c) property damages caused by wilful misconduct or gross negligence of the Seller sustained by the Purchaser or (d) damages under the applicable laws for product defects (especially under the Product Quality Law). The Seller's liability for slight negligence in case of property damages is excluded. In General, the damages shall be limited to the amount which at the time of concluding the contract was foreseeable as probable result from breach of contract. These exclusions of liability and limitations apply to the same extent in favour of the executive body, legal representatives, employees and other agents of the Seller.
- 10.11 The warranty period of the goods supplied by the Seller is one year upon the delivery of the goods. If the Purchaser raises no objection on the quantity or quality of the goods within the warranty period, the delivery is regarded as in conformity with the purchase contract or other agreement made by both parties, unless the defective goods have been used for a building in accordance with their normal manner of use and have caused this building to be defective. The Seller's unlimited liability for damage or losses resulting from a breach of guarantee or from death, bodily injury or damage to health, for willful misconduct and gross negligence and for product defects remains unaffected by this. The Seller's liability set out in sentence 3 shall be subject exclusively to the statutory limitation periods, in particular, those set out in the Product Liability Act.
- 10.12 If the Seller comments on a claim based on defects that has been asserted by the Purchaser, this comment is not to be deemed an acknowledgement or the commencement of negotiations concerning the claim or the circumstances giving rise to the claim.
- 10.13 The Seller shall not bear any procurement risk for an obligation to supply unspecified goods with an explicit written agreement.
- 10.14 Place of performance for subsequent performance and subsequent improvement shall be the Seller's registered office.
11. Product Liability
- 11.1 The Purchaser may not modify the goods. In particular, the Purchaser may not modify or remove existing warnings about risks resulting from improper use of the goods. If this duty is violated, the Purchaser must internally indemnify and hold the Seller harmless from and against product liability claims of third parties to the extent that the Purchaser is responsible for the defect giving rise to liability.
- 11.2 If a product defect of the goods causes the Seller to make a product recall or to issue a product warning, the Purchaser shall assist the Seller and shall take all measures which have been ordered by the Seller and which the Purchaser can reasonably be expected to perform. The Purchaser is under obligation to bear the cost of the product recall or product warning to the extent that the Purchaser is responsible for the product defect and the damage sustained. Further-reaching claims of the Seller remain unaffected.
- 11.3 The Purchaser shall inform the Seller without undue delay in writing of any risks in the use of the goods and possible product defects of which the Purchaser becomes aware.
12. Force Majeure
- 12.1 If an event of force majeure prevents the Seller from performing its contractual obligations, in particular, from delivering the goods, the Seller is released from its obligation to perform for the duration of the impediment and a reasonable start-up period without being liable to the Purchaser for damages. The same shall apply if the performance of its obligations by the Seller is unreasonably complicated by, or becomes temporarily impossible due to, other unforeseeable circumstances for which the Seller is not responsible, especially industrial action, official acts, energy shortage, impediments to delivery on the part of a supplier, or significant disruptions of operations.
- 12.2 The Seller is entitled to rescind the contract if such an impediment continues for more than four months and the performance of the contract is no longer of interest to the Seller due to the impediment. At the request of the Purchaser, the Seller will declare after the expiration of this period of time whether it will make use of its right to rescind the contract or whether it will deliver the goods within a reasonable period of time.
- 12.3 In so far as the Purchaser cannot be expected to accept the supply or service as a result of the delay, the Purchaser may withdraw from the contract by means of a written notification to the Seller.
13. Industrial Property Rights and Copyrights
- 13.1 If a delivery comprises software or other intellectual property, such software or other intellectual property will be provided to the Purchaser subject to a copyright and user license, the terms and conditions of which can be gathered from the license agreement accompanying the software or other intellectual property. The present General Terms and Conditions grant no rights or license to use such software or other intellectual property in any manner, or for any purpose, not expressly permitted in the license agreement.
- 13.2 Unless otherwise agreed, the Seller is obligated to carry out the delivery free of industrial property rights and copyrights of third parties (property rights) only in the country where the place of delivery is located.
14. Export, Export Control, Disposal
- 14.1 The goods supplied are intended to remain in the country of delivery agreed upon with the Purchaser. The Purchaser may not export goods from the country of delivery that are subject to embargo provisions.
- 14.2 The goods supplied are particularly subject to European, American and Chinese export controls and embargo provisions. It is the Purchaser's responsibility to inform itself of the relevant export and/or import provisions or restrictions and to obtain according permits, if necessary.
- 14.3 The Purchaser will impose the aforesaid obligations on its customers.
15. Final Provisions
- 15.1 Any transfer of the Purchaser's rights and obligations to a third party shall require the Seller's written approval in order to be binding on the Seller.
- 15.2 In case of any disputes arising in connection with this General Terms and Conditions either party shall submit the dispute to the China International Economic and Trade Arbitration Commission ("CIETAC") in Beijing for arbitration according to CIETAC's arbitration rules in effect at the time of applying for arbitration. The language of arbitration shall be English and the arbitration place shall be Beijing. The arbitral award shall be final and binding upon both parties.

15.3 The legal relations between the Seller and the Purchaser shall be governed by the laws of the People's Republic of China to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

15.4 If any provision in these General Terms and Conditions is or becomes invalid or impracticable in whole or in part, or if these General Terms and Conditions contain a gap, this shall not affect the validity of the remaining provisions hereof. The invalid or impracticable provision shall be deemed replaced with such valid or practicable provision as comes closest to the purpose of the invalid or impracticable provision. In the case of a gap, such provision shall be deemed agreed upon as corresponds to what would have been agreed upon according to the purpose of these General Terms and Conditions if the contracting parties had contemplated the matter from the beginning.