

General Terms and Conditions

of SPAUN electronic GmbH & Co. KG

Section 1. Application:

- 1.1 Business transactions between us and the commercial buyer shall be governed by the "General Terms and Conditions of Delivery for Products and Services of the Electronics Industry" ["Allgemeinen Lieferbedingungen für Erzeugnisse und Leistungen der Elektroindustrie", ZVEI], except where otherwise provided for below. The following General Terms and Conditions shall apply to all orders concluded between us and the commercial buyer. These Terms and Conditions shall be deemed agreed upon whenever an order is placed with us. Collateral agreements of any kind whatsoever shall only be binding, if laid down and confirmed in writing.
- 1.2 The buyer's terms and conditions of purchase shall only apply in so far as we have expressly consented to them in writing. Unconditional execution of a purchase order despite knowing of conflicting terms and conditions of purchase shall not signify consent.

Section 2. Quotations

- 2.1 Our quotations will be governed by the selling prices and terms valid on the day of delivery.
- 2.2 The documents forming part of the quotation, such as illustrations, drawings and dimensional data shall only be approximately authoritative, except where they are expressly referred to as binding.
- 2.3 Orders shall be deemed accepted, if they have been expressly acknowledged by us.

Section 3. Delivery, Dispatch, Periods for Delivery, Default in Delivery, Compensatory Damages

- 3.1 All deliveries shall take place at the buyer's risk and for the buyer's account. In this respect, we shall perform the contract by handing over the goods to the forwarder or carrier or to any other person appointed to carry out the shipment. The buyer agrees that the day of dispatch of the goods, or of hand-over to the forwarder or carrier, shall be deemed equivalent to the day of hand-over and delivery, even if it is no sale by shipment (section 477 of the German Civil Code [BGB]). The risk of deterioration and of accidental destruction of goods delivered by us shall, as provided for above, pass to the buyer upon hand-over or dispatch. The period of liability for defects shall begin on the day of dispatch or hand-over of the goods as stipulated above.
- 3.2 Dates for delivery must be in writing and shall be complied with as far as possible, however, they shall be non-binding, unless they have been expressly guaranteed in writing as fixed dates. Delays in delivery or performance due to force majeure or due to events which make it materially more difficult or impossible for us to make delivery, including in particular strike, lockout, official directives, operational disruptions, unavailability of an important piece of work etc., shall not be imputable to us, even in the case of periods or dates bindingly agreed upon. They shall not entitle the buyer to withdraw orders or assert damage claims of any kind. If the hindrance persists for longer than 3 months, the buyer shall, after having set a reasonable respite period, be entitled to rescind the contract in respect of the part not yet performed, without this resulting in any obligation on our part to compensate for losses.
- 3.3 Partly deliveries shall be permissible.

Section 4. Notifications of Defects, Complaints, Warranty, Liability, Compensatory Damages

- 4.1 In any event, our liability for defects shall depend on the buyer's examination of the goods for defects upon receipt without undue delay. The buyer must give notification of all apparent defects without undue delay, however no later than 14 days after receipt of the goods. Hidden defects must be notified by the buyer without undue delay, however no later than 14 days after their discovery. Every notification of defects by the buyer must be in writing. The buyer's notification of defects must refer to the respective goods and the respective defect in the goods. The date of receipt of the notification of defects at our company shall be authoritative for observance of the time limit. If the buyer omits to give notification of defects, the goods shall be deemed approved.
- 4.2 Goods containing faults in workmanship and/or in materials shall be repaired or replaced within 5 years of delivery. Excluded from this are processing systems (headends), optical transmitting & receiving equipment as well as their optical accessories, audio-/video modulators, measurement technology, cables and software, which have a guarantee period of 2 years from delivery. Rechargeable batteries are excluded from any guarantee. Our guarantee promise is limited to replacement or reinstatement of the goods and does not include any assembly costs, transport infrastructure charges or other consequential costs. Further claims against us are excluded, as far as permitted by law or otherwise provided for in these terms and conditions. The same applies to compensation for losses which have not arisen in the goods themselves. The cost of sending in the goods for repairs under guarantee shall be borne by the sender.
- 4.3 Liability for normal depreciation is excluded. Immaterial deviations in colour, dimensions and/or other quality and performance characteristics of the goods shall not generate any claims on the part of the buyer, particularly no defect-related rights.
- 4.4 The defect-related rights and the guarantee promise are limited to the goods delivered. Not included are consequential losses, or losses or disruptions which are due to improper handling, storage, transportation, normal wear and tear, non-observance of use instructions or incorrect or negligent handling. This applies in particular to the operation of the goods with the wrong type of electric power or voltage and to the connection to unsuitable electric power sources. The same applies to defects and losses due to fire, lightning, explosion, grid-related excess voltage, moisture of any kind, or incorrect or lack of programming, unless the buyer proves that the respective defect exists regardless of those circumstances. The same applies to normal wear and tear and other causes upon which we have no influence.
- 4.5 The defect-related rights and the guarantee promise shall cease to exist, if and when the buyer tampers with and/or repairs the goods, itself or through persons not authorised by us.
- 4.6 Within one year from the delivery date, we shall, at our option, be entitled to repair or replace, as defined by section 439 of the German Civil Code, in cases where the buyer is an entrepreneur. If repair or replacement fails, the buyer may demand mitigation or rescission of the contract. Repair shall have failed, if and in as far as a time limit which we have been set for the first time for rendering supplementary performance has lapsed to no avail. Defect-related rights shall become time-barred one year after delivery of the goods.

If the buyer demands compensation for expenditures according to sec. 478 para. 2 German Civil Code [BGB], this shall be limited to a maximum of 2 % of the original value of the goods. Claims based on sec. 478 German Civil Code [BGB] are contracted out by the voluntary 5-year guarantee promise for commercial buyers under nos. 4.2. et seq. in the sense of compensation of equal value in accordance with sec. 478 para. 4 sent. 1 German Civil Code [BGB].

- 4.1 Claims for expenditures necessary for the purpose of supplementary performance, particularly transportation costs, transport infrastructure charges, labour costs and costs of materials, are excluded to the extent the increase of expenditures results from the subsequent transportation of the goods to a place other than the buyer's place of establishment, except where this transportation is in accordance with the intended use of the goods.
- 4.2 No new defect-related rights/guarantees shall arise as a result of the exchange of the goods for reasons of repair or after execution of the guarantee promise.
- 4.3 Unjustified complaints of defects and unjustified complaints under the guarantee promise shall entitle SPAUN electronic GmbH & Co KG to charge the buyer for the costs arising in connection with processing, examining and returning.
- 4.4 **Attention with devices containing an integrated power supply unit and/or with power packs:
Self-made or improper repairs or alterations to the goods may be life-threatening for the user!**
- 4.5 Rescission of the contract and compensatory damages in the event of default on our part shall require the setting of a reasonable respite period by the buyer. In this respect, the respite period must be proportionate to the type and scope of the order. In case of our default, liability for damages shall be limited to an amount equal to 30 % of the foreseeable loss.
- 4.6 Our liability shall be unlimited in cases of intent and gross negligence, as well as in cases of fraud. Any liability arising out of minor negligence on our side shall only give rise to damages that, based on this agreement, were typically predictable and only if an obligation with significant meaning to the achievement of the purpose of this Agreement was violated (material obligation). We shall not assume any liability beyond the foregoing, regardless of the basis of the claim. The above-mentioned limitations and exclusions of liability shall not apply to claims based on losses arising from injury to life, body or health or to claims under the Product Liability Act [Produkthaftungsgesetz]. To the extent our liability is limited or excluded, the personal liability of our agents in contract and agents in tort shall likewise be limited or excluded.

Section 5. Payment

- 5.1 The prices are understood to be ex works and subject to addition of the respective applicable statutory value-added tax.
- 5.2 Our invoices shall be due as follows: within 14 days of the invoice date less a 3 % cash discount or within 30 days of the invoice date net, free of charge to the supplier's point of payment.
- 5.3 In the event of default of net payment, we shall have the right to charge default interest at the rate of 8 % above the respective valid statutory base interest rate.
- 5.4 If the buyer defaults on payment or if justified doubts about its financial standing arise, all accounts receivable still outstanding may be declared due for payment immediately.
- 5.5 Bills of exchange shall not be accepted as a means of payment.
- 5.6 In the case of first-time purchase orders, we shall be entitled to deliver on the basis of cash on delivery or on the basis of advance payment.
- 5.7 The buyer shall only be entitled to offset on the basis of claims which are uncontested or have been determined with legal finality. The assertion of rights to refuse to perform or rights of retention shall be limited to the same legal relationship.

Section 6. Retention of Title

- 6.1 All goods and programmes delivered shall remain our property until the buyer has fully paid all accounts receivable (including all balances due on an open account) which have ensued from our business relationship.
- 6.2 The buyer shall properly hold the goods in safekeeping until the transfer of title. The buyer shall be entitled to on-transfer the deliveries in the ordinary course of business. The buyer shall not be permitted to make any other dispositions, particularly pledging or transfer of title as security. In the event of default in payment, the buyer shall be obligated to make known the address of its debtors and the sum of the receivables concerned. As long as the goods are under retention of title, they must not be exported out of the Federal Republic of Germany.
- 6.3 If the goods specified in our order acknowledgement are on-transferred to third parties, whether by reselling or by installation into buildings or land property, the buyer's claim against the third party shall be assigned to us up to the sum of the purchase price, including VAT, shown in the order acknowledgement. We accept the respective assignment. If the buyer defaults on payment of the agreed remuneration, the receivable against the third party shall, furthermore, be deemed assigned beyond the amount of the purchase price, up to the additional amount of our loss caused by default. In the event of default, we shall be entitled to immediately make known to the third party the assignment of the receivable.
- 6.4 In the event of default in payment, we shall be entitled, even without exercising rescission and without setting a respite period, to demand the provisional surrender of the goods belonging to us at the buyer's expense. Subject to prior notice, we shall be entitled to dispose elsewhere of the delivery reclaimed and, following payment, supply the buyer anew within the customary period for delivery.
- 6.5 Loss, damage, attachment or any other encroachment by third parties in respect of the goods under retention of title or attachments of the receivables assigned shall be notified to us without undue delay. Costs arising as a result of the assertion of our claims shall be reimbursed by the buyer.

Section 7. Place of Performance, Place of Jurisdiction and Applicable Law

- 7.1 The place of performance for the delivery and payment is the registered office of Spaun electronic GmbH & Co KG.
- 7.2 Singen is the exclusive place of jurisdiction for all present and future claims arising from the business relationship with merchants. However, we shall be entitled to bring an action against the buyer at its place of general jurisdiction.
- 7.3 The legal relations in connection with this contract shall be governed by German substantive law, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

Valid: 1st of May 2011