



GENERAL CONDITIONS OF SALES AND DELIVERY
TONFUNK GMBH ERMSLEBEN

as of July 2015

Note:

1. The following English version of the General Sales and delivery terms is a simplified translation of the German version of the same. The English version is intended only as a guide to customers for whom German is not their first language. The English version is not intended to mislead or in any way change the conditions stated under the German version and is not legally binding. All decisions and judgements in relation to any sales and delivery conditions will always be final under the German version of "Allgemeine Verkaufs- und Lieferbedingungen" and be subject to prevailing German Law.
2. In the following translation the abbreviation Tn. refers to Tonfunk GmbH Ermsleben and any person duly authorised by Tonfunk GmbH. Ermsleben to act on their behalf and "customer" refers to any entity signing an order or engaging in a commercial relationship which is subject to "Allgemeine Verkaufs- und Lieferbedingungen".

I. General Provisions

1. The deliveries and services of Tn. are subject to these General Conditions of Sales and Delivery. These terms and conditions apply exclusively to companies, legal entities under public law or public law special funds within the meaning of § 310 paragraph 1 BGB. Tn. only acknowledges contrary or differing conditions of purchase issued by the customer to those following in this agreement if Tn. expressly agrees to their validity in writing.
2. Tn. reserves the right of ownership and copyright for samples, cost estimates, drawings and information both tangible and intangible - in physical and/or electronic form; it is also forbidden to make any of these available to third parties. Designated confidential information will only be revealed to third parties with the consent of the customer.
3. Partial deliveries are permitted.
4. Tn.'s quotations are subject to change, unless they are expressly designated as binding.

II. Conclusion of the Contract

1. The conclusion of the contract is subject to the correct and timely delivery by Tn.'s suppliers. This applies apart from when non-delivery is not attributable to Tn. The customer will be immediately informed of the unavailability of the service.
2. Tn. is responsible for the procurement and stockpiling of all necessary production materials. In the case of the customer having unplanned short-term needs, which must be confirmed in writing by the customer, the customer shall bear all additional costs incurred.
3. Material stocks that are no longer needed for reasons of technical change initiated by the customer must be purchased by the customer.
4. In the event of cancellation or reduction of a binding order by the customer when Tn. has stockpiled or committed to purchase items (unprocessed material, supply processed products), these items must be purchased by the customer. For finished products, the originally agreed selling price will be charged.
5. If the supply chain is determined by the customer and the supplier selection is not made by Tn., Tn. will not be responsible for any quality problems arising from items delivered from the selected suppliers.

III. Pricing / Payment

1. Tn.'s prices are net. The statutory value-added tax is shown separately on the invoice. Tn. reserves the right to send invoices electronically via a signed pdf.
2. Partial deliveries are immediately charged and are separately due for payment, regardless of termination of the balance of the order.
3. Tn. reserves the right to adjust its prices accordingly after cost increases or decreases, in particular on the basis of collective wage -agreements, changes in freight, shipping, ancillary shipping costs or prices of materials, after conclusion of the contract. Tn. will provide proof of the need for these changes to the purchaser on request.
4. The Purchaser may only withhold payment if his counterclaim is based on same contract.

IV. Retention of Title

1. Tn. reserves title to all goods until any claims arising from an ongoing business relationship pertaining to those goods have been settled.

2. During the retention of title period, pledging or mortgaging of the goods by the customer is prohibited. Recycling in the ordinary course of business operation is only allowed on condition that the customer receives payment from its client or makes the reservation that the property title passes to the customer's client only after the fulfillment of the customer's own payment obligation.
3. If the customer sells Tn. title retained goods, all payments accruing to the customer from this resale to his clients, with all ancillary rights, revert in security to Tn. without further notice, including any balance claims. If the title retained goods are sold by the customer together with other goods, without an individual price being agreed for the title retained goods, the customer shall be liable to Tn. for that part of the total selling price that corresponds to the invoice price of the reserved goods provided by Tn.
4. A processing of the retained goods by the customer must always be done within Tn.'s title. The new creation is regarded as retained goods. In the case of combination of the retained title goods with other non-retained title goods, Tn. acquires co-ownership of the new item in the amount of the share resulting from the ratio of the value of the retained goods to the other non-retained items at the time of processing. The same condition applies for the processed article as for other goods delivered under retained title.

V. Lead Time / Inability / Contract Adjustment

1. The observance of lead times requires the timely and full receipt of all necessary information to be provided by the customer ahead of delivery i.e. authorizations, approvals, drawings, parts lists, etc., as well as compliance with the agreed terms of payment and other obligations of the customer. If these conditions are not met, the lead time will be extended accordingly until these conditions are met. This is not applicable if Tn. is responsible for the delay.
2. If the failure to meet deadlines is due to
 - force majeure e.g. mobilization, war, acts of terrorism, etc.
 - attacks on the IT systems of Tn., provided these attacks were made after satisfying the usual precautionary care then delivery periods shall be extended by a reasonable time.
3. At Tn.'s request and within a reasonable period of time, the customer is obliged to declare whether they wish to withdraw from the contract due to the above delays stated in para. 2 or whether they still require delivery.
4. If the customer requests delayed shipping or delivery by more than one month after receiving notification from Tn. of readiness for dispatch, the customer may, for every month commenced, have to pay storage costs of 0.5 % of the price of delivery, no more than a combined total of 5 % will be charged. The proof of higher or lower storage costs will be retained by the contracting parties.
5. If the delivery is impossible, the customer is entitled to claim damages, unless Tn. is not responsible for the failure to fulfil the contract. However, this claim for damages is limited to 10 % of the value of the part of the delivery which cannot be made because of this failure. This restriction does not apply if there is liability in cases of intent, gross negligence or injury to life, body or health. A change in the burden of proof to the detriment of the customer is not related. The customer's statutory right to withdraw from the contract remains unaffected.
6. Where unforeseeable events occur within the meaning of Article V, Paragraph 2 that substantially change the economic importance or the contents of the delivery or substantially change



the contents of the supplies or considerably affect Tn.'s operations, the contract shall be adapted appropriately in good faith. Where this is not economically justifiable, Tn. has the right to withdraw from the contract. If, after establishing the scope of the event and even if a delivery extension has been agreed, Tn. wishes to implement this right, Tn. will immediately notify the customer.

VI. Transfer of Risk

1. Risk is transferred, even with freight free delivery, as follows:
 - delivery without installation or assembly: with provision for shipping or for pick-up. At the request and expense of the customer, deliveries from Tn. can be insured against the usual transport risks.
 - if the supply includes assembly or installation: on the date of acquisition in the customer's own works or, if agreed with the customer, after a fault-free trial run.
2. If the dispatch, delivery, starting, the installation or assembly process or commissioning is delayed or the purchaser is in default of acceptance for other reasons, the risk shall pass to the customer.

VII. Acceptance

The customer may not refuse to receive supplies due to minor defects.

VIII. Quality Defects

1. Tn. assumes no liability for the electrical functionality of assemblies when by convention no appropriate electrical testing is ordered or implemented.
2. All parts having a material defect within the limitation period - regardless of the duration of the operation - that has occurred as a consequence of circumstances prior to the transfer of risk, will be repaired or replaced free of charge at Tn.'s discretion. Upon detection of such defects, Tn. must be immediately informed in writing and an opportunity provided for subsequent repair or replacement within a reasonable period of time.
3. All warranty claims become time-limited to 12 months after transfer of risk. This time limit does not apply if the §§ 438, paragraph 1, Nr. 2 (building defects) No. 2 (buildings and items for buildings), 479 par. 1 (recourse) and 634a para 1 (building defects) of the German Civil Code prescribes longer periods, as also in cases of injury of life, body or health, an intentional or grossly negligent breach of duty or fraudulently concealed defect on Tn.'s part. The legal provisions regarding suspension of inhibition and recommencement of limitation periods remain unaffected.
4. In the case of customer withholding payment, an amount may only be withheld that is in a reasonable proportion to the defect. The customer may only withhold payments if a complaint is made where there is no doubt as to its legitimacy. In the case of a false complaint, Tn. is entitled to demand reimbursement of expenses from the customer.
5. Claims may not be allowed as a result of faulty or negligent handling, excessive strain, unsuitable equipment, construction work, unsuitable building ground, minor deviations from the agreed quality, minor impairment of usability, natural wear and tear, damage arising due to handling or particular external influences out of Tn.'s influence that are not provided for in the contract, as well as non-reproducible software failures after the transfer of risk. If the customer or a third party improperly carries out repair or replacement work, no claims are permissible for the resulting consequences.
6. Excluded expenses are reimbursement claims in particular for transportation, travel, labour and material costs by the customer insofar that the expenses have been increased because of the subject matter being delivered to a location other than a depot belonging to the customer, unless it is to comply with the intended use.
7. Rück Recourse claims against Tn. according to § 478 BGB (recourse of the entrepreneur) exist only to the extent that the customer has concluded no agreements beyond the statutory claims for defects with its clients. The extent of the recourse claim of the

customer, also point 5, is according to section 478 paragraph 2 BGB.

8. Tn.'s obligation to pay damages depends on article X.

IX. Lack of Title: Intellectual Property Rights

1. Unless otherwise agreed, Tn. is obliged to provide a delivery service only, free of industrial property rights and copyrights of third parties (hereinafter: rights) in the designated country of delivery. If a legitimate third party infringement of property rights asserted by Tn. to the customer is notified to Tn. by the customer, then Tn. shall be liable to the customer within the period specified in article VIII No. 3 as follows:
 - a) Tn. will either obtain a right of use at Tn.'s discretion and at Tn.'s expense for the respective supplies, change this right so that it does not infringe other rights, or replace. If this is not possible for Tn. on reasonable terms, the customer can arrange the withdrawal of their order or reduction of payment.
 - b) Our obligation to pay damages is according to article X
 - c) The above mentioned obligations exist only insofar as the customer, immediately and in writing, informs Tn. about any claims asserted by the third party and does not acknowledge an infringement. Any protective measures and/or settlement negotiations are reserved for Tn. If the customer ceases using the supplies for risk limitation or other important reasons, the customer is obliged to indicate to the third party that this does not go hand in hand with an acknowledgement of an infringement.
2. The customer is obliged to inform Tn., prior to placing a binding order through Tn., whether commissioned work incorporates rights previously reserved by a third party is to be used by Tn.. in order to prevent an infringement of rights that may result from the production of the goods ordered. The customer has to inform Tn. about what measures Tn. has to take to protect these third-party rights.
3. The customer's claims are also excluded if, unforeseen by Tn., the infringement of the rights applying is caused by requirements of the customer, unknown to Tn. the product has been modified or applied by the customer contrary to original specifications or used by the customer together with third party products.
4. In the case of infringements of property rights pursuant to No. 1
 - a) claims by the customer within the provisions of Article VIII and X are recognized as other legal defects.
5. Further or other claims of the customer against Tn. or Tn.'s vicarious agents due to a defect in these general provisions are excluded.

X. Damage Claims

1. Unless otherwise stated in these terms and delivery conditions, claims for damages by the customer for whatever legal reason, especially the breach of obligations and disallowed actions under the contract relationship, are excluded.
2. This does not apply under the following cases
 - a) according to the product liability law
 - b) in the case of intent
 - c) in the case of gross negligence of the owners, their legal representatives or employees
 - d) in the case of malice
 - e) failure to comply with a guarantee
 - f) due to the culpable violation of life, body or health
 - g) due to the culpable breach of essential contractual obligations.
3. A change in the burden of proof to the detriment of the customer not associated with the preceding regulations.

XI. Final Provisions

1. Venue of the contractual relationship for direct or indirect disputes with Tn. will be the court having jurisdiction. However, Tn. reserves the right to take legal action against the customer at the customer's place of business.
2. The contract remains binding even after legal ineffectiveness of individual provisions in its other parts. This does not apply if the adherence to the contract would represent an unreasonable hardship for a party.