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The following English version of the General conditions of purchase 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 Einkaufsbedingungen" and be subject to prevailing German Law.

I. General Provisions

1. In this and the following sections, the company Tonfunk GmbH, of Ermsleben, Germany, and / or the appointed agents of Tonfunk GmbH, of Ermsleben, Germany will be referred to under the abbreviation "Tn.". The contractual partners of Tn. will be referred to as Suppliers. This is regardless of the legal designation of Tn. or Suppliers now or in the future arising out of the contract.
2. These conditions of purchase apply exclusively to companies, legal persons under public law or public law special funds in the sense of § 310 paragraph 1 BGB. Tn. only acknowledges contrary or differing conditions of sale issued by the supplier to those following in this agreement if Tn. expressly agrees to their validity in writing.

II. Quotations

1. The supplier has to accurately keep to the exact styles, quantities and quality specified by Tn. and inform Tn. in writing in case of any discrepancies.
2. Quotations must be submitted free of charge.

III. Orders / Order Acceptance

1. Orders are only valid when issued in text form. These orders can be transmitted by fax, email, EDI or by electronic data in the agreed format or in the form of a letter. If the supplier determines that the order is incorrect, incomplete or unclear, the supplier must immediately inform Tn. after detection.
2. Any accepted order is to be confirmed by the supplier within 3 working days in writing, specifying the relevant order number and date of order.
3. Tn. can revoke its orders as long as the confirmation of unmodified acceptance has not been received by Tn. Any deviations from the order are to be clearly identified in the order confirmation. The contract is concluded only with our express assumption in this case.
4. Delivery call-offs become binding if the supplier does not immediately send a contradiction.
5. Tn. is entitled, for standard products (not customer specific products) to withdraw from the individual contract up until 2 weeks before the date of delivery.

IV. Pricing / Payment

1. The price(s) stated in the confirmed order are binding.
2. The legal value added tax is to be shown separately.
3. Invoices shall bear the order number assigned in the purchase order.
4. Payments shall be made by bank transfer; payment is not equal to acknowledgement of service or delivery as according to contract.
5. Tn. is entitled to statutory set-off and retention rights.

V. Delivery / Delivery Time / Delay

1. The delivery date specified in the order is binding. Delivery of goods must be made within Tn. opening hours (Monday to Friday, from 06:30 until 15:00).
2. The entry of goods date at the address designated by Tn. is decisive for the compliance with the confirmed delivery date.
3. If circumstances become known to the supplier which prevent an on-time delivery, the supplier is obliged to immediately inform Tn. in writing. In this case and at this time, the supplier will offer Tn. a new delivery date to be confirmed by Tn.
4. If the supplier is in default, the statutory provisions shall apply. Tn. shall then be entitled to claim damages, including any additional expenses and to make use of a right of withdrawal, even without fault of the supplier.
5. In the case of force majeure, such as natural disasters, civil unrest, Government measures, etc., as well as transport failures, strikes,

lock-outs or other unforeseeable exceptional circumstances not attributable to Tn., that prevent Tn. fulfilling its' essential contractual obligations or make it considerably more difficult, Tn. can withdraw from all or part of the contract or require an extension period, the supplier is not entitled to make claims against Tn. If, in this case, the execution of the agreement is unworkable for the supplier the supplier can, at their discretion, withdraw from the contract.

VI. Shipping / Packaging / Transfer of Risk

1. Every delivery should contain packing or delivery notes stating the contents, complete order number, Tn. number and delivery note number.
2. Dispatch and packaging costs shall be borne by the supplier. This also includes the return and processing of the transport packaging.
3. The delivery is to be free at the specified reception point (DDP), unless other agreements have been made. The supplier bears all costs up to the acceptance of the goods by Tn. at the reception point. The supplier shall also be liable for compliance with these shipping conditions by its subcontractors.
4. If, in violation of section VI, para. 3 of this contract, it is agreed that the pricing is ex works and if no specific mode of transport has been agreed, then the shipment is to be sent by the lowest cost method.

VII. Call Orders

1. Tn. is entitled to determine the size, time and quantity of each delivery as per our operating conditions, in so far as nothing else has been agreed.
2. The Supplier hereby obtains no claim for damages for invoicing deferred amounts from the order.

VIII. Acceptance

The ordered goods must meet the agreed specifications and be approved by Tn. Changes require the prior sampling and subsequent written approval by Tn. Further amendments to the product quality are to be agreed separately.

IX. Retention of Title

1. Tn. disagrees with retention regulations and declarations by the supplier that intrinsically go beyond the simple as defined in "einfachen Eigentumsvorbehalt" or "unsecured purchase".
2. Where Tn. provides materials to the supplier, Tn. reserves title thereto. Processing or transformation by the supplier is carried out for Tn. If Tn.'s title-reserved goods are processed by the supplier or inseparably mixed with other objects not belonging to Tn., then Tn. shall acquire co-ownership of the new item in proportion to the value of Tn.'s goods to the other processed/mixed objects at the time of processing/mixing. If the processing/mixing is such that the new object produced by the supplier is to be regarded as the main item, it shall be agreed that the supplier transfers proportional joint ownership to Tn...
3. Tn. reserves ownership to tools provided to the supplier by Tn. The supplier is obliged to use the tools solely for the production of goods ordered by Tn. The supplier is obliged to insure the tools belonging to Tn. to their new replacement value, at the supplier's own expense, against fire water damage and theft. The supplier is also obliged to assign all compensation claims arising from this insurance to Tn. The supplier is obliged to perform timely servicing and inspection work as well as all maintenance and repair work on Tn.'s tools at the supplier's own expense. The supplier has to immediately notify Tn. of any malfunctions. If the supplier



culpably fails to do this, claims for damages shall remain unaffected.

X. Secrecy

1. The supplier is obliged to keep strictly confidential all received illustrations, drawings and other documents and information provided by or created for Tn. These may be disclosed to third parties only with the express consent of Tn.
2. The obligation to maintain secrecy applies even after the execution of this agreement. It expires if and as far as these illustrations, drawings, calculations, and other documents including manufacturing knowledge enters the public domain.
3. Licensed documents or materials provided by Tn. based on orders by Tn. are to be used exclusively for the production based on those orders.
4. Sub-contractors are to be in conformity with paragraphs 1 to 3 of this section.

XI. Liability for Defects

1. The acceptance of the goods shall be subject to examination for defects, particularly with regard to quantity, identity and apparent transport damage. Tn. is entitled to investigate the goods as and when this is possible in normal course of business. Discovered defects, including hidden defects that only become clear in the processing or commissioning of the supplied goods, will be claimed against by us immediately upon discovery.
2. Payment does not mean acknowledgment or acceptance of defects.
3. The statutory warranty claims based on defects remain unbridged. Tn. is in any case entitled to require removal of defective goods or delivery of new goods from the supplier at Tn.'s discretion. The supplier retains the right to choose the course of action under the provisions of § 439 Section 3 BGB. The right to damages, especially damages in lieu of performance is expressly reserved.
4. Property and rights claims based on defects become statute of limitations time barred three years from the date of transfer of risk. With regard to legal claims for defects, the supplier provides Tn. to be free from any claims of third parties. In so far as it is possible to investigate defective goods only through installation and commissioning of a system, the statute of limitations begins at startup.
5. In the case of hidden defects, Tn. additionally reserves the right to demand compensation for any expenses incurred up to the discovery of the defect. Returning rejected goods takes place at the expense and risk of the supplier.
6. If, as a result of defects in the contracted product manufactured for and/or sold by the supplier to Tn. that are returned to Tn. for replacement by Tn.'s customers or Tn. consequently reduces the customer sale price in compensation, then Tn. reserves the right of recourse against the supplier.
7. The supplier must reimburse Tn. for the expenses that Tn. has incurred in relation to Tn.'s customer in the case that Tn.'s customer has a right to reimbursement necessary for the purpose of supplementary performance, in particular transport, travel, labour and material costs against Tn.. In addition, the supplier must reimburse expenses for Tn.'s customers or Tn. prior to liable defect situations, for early loss prevention, response or mitigation (E.g. recall actions).

XII. Product Liability

1. All damages and consequential damages incurred by Tn. because of the non-performance of Tn.'s contract or by withdrawal from the contract on the part of Tn. shall be reimbursed by the supplier. In addition, the supplier indemnifies Tn. from third party claims if third parties claim against Tn. for a non-contractual performance by the supplier.
2. If the supplier is responsible for a product defect, the supplier undertakes to exempt Tn. from damages to any third party, unless and insofar as the damage is caused by a failure of the contract goods delivered by the supplier. Strict liability only applies in cases

where the supplier is at fault. The burden of proof against this is on the supplier.

3. In the framework of his liability for cases of damage within the meaning of paragraph 2 the supplier is also liable for any expenses under §§ 683, 670 BGB and §§ 830, 840, 426 BGB, that arise out of or in connection with a recall action carried out by Tn.. Other legal claims remain unaffected.
4. The supplier is obliged to maintain a product liability insurance with a lump-sum coverage of at least 3.000.000,00 EUR (3 million) per personal injury / property damage.

XIII. 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 supplier in the supplier's place of business.
2. Unless stated otherwise in the order, the place of performance is the registered office of Tn.
3. 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.