# General Terms and Conditions of DLoG Gesellschaft für elektronische Datentechnik mbH (hereinafter referred to as: ADVANTECH-DLoG)



This English translation of ADVANTECH-DLoG's General Terms and Condition is provided for information only. Only the German Version of ADVANTECH-DLoG's "Allgemeine Geschäftsbedingungen" is legally binding!

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#### 1. Scope

All offers, orders, deliveries and services by ADVANTECH DLoG shall be exclusively based on the following terms and conditions. These terms and conditions shall therefore also apply to all future business relationships with the customer, even if not expressly agreed on again. Any deviating, additional or conflicting terms of the customer shall not become part of the contract, even if ADVANTECH-DLoG does not expressly object to them. Deviations from these terms and conditions must be made in writing in order to be valid.

#### 2. Offers

- 1) All offers of ADVANTECH-DLoG shall be subject to change and non-binding. A contract shall come about only upon written purchase order confirmation by ADVANTECH-DLoG or upon execution (including partial execution) of a customer's purchase order. Field staff and sales representatives are not authorized to accept customer orders with binding effect for ADVANTECH-DLoG.
- 2) All information referring to dimensions, weight, quality, construction and material has been determined to our best knowledge, but is approximate only and not binding on ADVANTECH-DLoG. This also applies to information provided by ADVANTECH-DLoG's own supplier.
- 2) § 312i(1) first sentence nos. 1, 2 and 3 as well as § 312i(1) second sentence of the German Civil Code [Bürgerliches Gesetzbuch, BGB], which impose certain obligations that are concluded online, shall not apply.

## 3. Condition of the products

- 1) The quality and product features of ADVANTECH-DLoG's products shall be as customary in the trade, taking into account production-related tolerances for dimensions, weights and quality conditions. ADVANTECH-DLoG reserves the right to make technical or optical changes to the products that serve to improve such products and do not impair their functionality.
- 2) Qualities of the products stated in publications of ADVANTECH-DLoG or of its sales representatives, in particular in advertising, in drawings, brochures or other documents or on packaging and labeling of the Products, or which fall under trade usages, shall only be deemed to be covered by the contractual condition of the products if such qualities are expressly contained in an offer or an order confirmation.
- 3) Guarantees, in particular guarantees as to condition [Beschaffenheitsgarantie], shall be binding on ADVANTECH-DLoG only to the extent to which they (i) are contained in an offer or an order confirmation, (ii) are expressly designated as a "guarantee" or "guarantee as to condition", and (iii) expressly stipulate the obligations for ADVANTECH-DLoG resulting from such guarantee.
- 4) Where ADVANTECH-DLoG merely acts as a reseller of products of third party suppliers the contractually agreed product features shall be the customary features of such third party supplier products. If it is agreed that the customer will collect such products from ADVANTECH-DLoG, ADVANTECH-DLoG will hold these products ready for collection in the supplier's customary packaging without additional transport packaging.

4) Where the customer contributes to ADVANTECH-DLoG's products by means of own customer supplies, by special product requirements or in any other way, it shall be the customer's sole responsibility to ensure that these customer contributions and their influence on the products delivered by ADVANTECH-DLoG do not result in a breach of applicable laws or regulations (particularly not in an infringement of third party intellectual property rights).

# 4. Prices and terms of payment

- 1) Prices are ex warehouse or ex works (EXW according to Incoterms 2010), excluding packaging, freight and other ancillary costs, plus VAT at the rate applicable at the date of delivery. Prices are subject to acceptance of the ordered quantity.
- 2) Unless otherwise agreed invoices shall be due immediately and payable without deduction at the latest within 14 calendar days from the invoice date. In case of late payment ADVANTECH-DLoG is authorized to claim interest and collection fees as of the maturity date. The interest rate for late payments shall be 9 percentage points above the base lending rate. The customer shall also compensate ADVANTECH-DLoG for all costs caused by the late payment, including the costs of a debt collection procedure. Irrespective of the customer's deviating provisions all payments shall be applied first to the oldest debt, and here first to any costs, then to the interest, and then to the principal debt.
- 3) If the customer fails to comply with its payment obligations in accordance with contractual provisions or if other circumstances become known that call into question the customer's creditworthiness, and ADVANTECH-DLoG's payment claims therefore seem to be at risk, ADVANTECH-DLoG shall be entitled to perform further deliveries only if paid in advance, to make further performance conditional on the provision of security, and/or to suspend performance until all due payment claims have been settled in full.
- 4) Except for the customer's contractual counterclaims under the same purchase order as ADVANTECH-DLoG's claim the customer shall only be entitled to effect a set-off with counterclaims and/or to exercise a right of retention based on counterclaims if such counterclaims are accepted by ADVANTECH-DLoG or have become res judicata. To exercise of a retention right further requires that such counterclaims is based on the same purchase order as ADVANTECH-DLoG's claim.

#### 5. Time of delivery or performance

- 1) Delivery dates are binding only if expressly described in writing as fixed dates by ADVANTECH-DLoG, and if all documents to be submitted by the customer for execution of the order have been made available in due time. All delivery dates, including fixed dates, are subject to ADVANTECH-DLoG itself being supplied correctly and on time; ADVANTECH-DLoG shall not be responsible for its own suppliers. The point in time at which the risk passes to the customer according to clause 6 shall be decisive for compliance with the delivery dates.
- 2) Delays in delivery and performance due to force majeure or other unforeseeable circumstances not attributable to ADVANTECH-DLoG which make performance significantly more difficult or impossible, in particular difficulties in procuring materials, strikes, lawful lock-outs, disruptions in operations, official orders, etc., also if they arise at suppliers or sub-suppliers, shall entitle ADVANTECH-DLoG to postpone the delivery or performance by the duration of the hindrance plus a reasonable start-up period. ADVANTECH-DLoG shall not be responsible for the foregoing circumstances even where such circumstances occur during an already existing default. ADVANTECH-DLoG shall notify the customer of the circumstances of the hindrance as well as the probable duration of the delay.
- 3) If according to clause 5.2 a hindrance lasts for three months or more, ADVANTECH-DLoG is entitled to withdraw from the contract in respect of the unperformed portion.

- 4) With the exception of fixed dates, ADVANTECH-DLoG shall be in default only if (i) the customer has set an adequate grace period in writing after the non-binding delivery date has passed, and (ii) this deadline has not been met as well.
- 5) If ADVANTECH-DLoG is in default, its obligation to compensate damages in cases of slight negligence shall be limited to an amount of 0.5% for each full week of default, up to a maximum total amount of 50% of the invoice value of the delivery affected by the default. Any exceeding claims shall only exist in cases of intent or gross negligence and subject to clause 10. Should the hindrance continue for more than three months, the customer shall after setting a reasonable grace period be entitled to withdraw from the contract in respect of the unperformed part.
- 6) Partial deliveries and partial performances are permitted to the extent the customer can reasonably be expected to accept such partial deliveries or performances. Such permitted partial deliveries or partial performances can be invoiced separately by ADVANTECH-DLoG.

### 6. Transfer of risk and receipt of the products

- 1) Any delivery, also carriage paid deliveries, shall be at the customer's risk. The risk shall pass as soon as the consignment has been handed over to the person transporting the products or, in the case of transportation by the employees of ADVANTECH-DLoG, has left the warehouse for shipping. This shall also apply if the products are delivered by a third party supplier on behalf of ADVANTECH-DLoG directly to the customer. If shipping of the products is delayed or has become impossible to due to circumstances for which ADVANTECH-DLoG is not responsible, the risk shall pass to the customer upon notification of readiness for shipment.
- 2) Insurance against damage or loss in transit shall be taken out only upon the customer's request and at the customer's cost.
- 3) The customer shall make any objections based on damage in transit and shortfalls in volume in writing immediately upon receipt of the products, and shall document them in the accompanying documents. Any corresponding evidence must be preserved.
- 4) ADVANTECH-DLoG shall not be liable for accessory items which are sent-in by customer in connection with any device service or repair order but not mentioned on the delivery papers.

## 7. Liability for defects

- 1) Pre-requisite for the customer's warranty rights (claims based on defects) is that the customer inspects the delivered products and effects proper notification of defects pursuant to Sec. 377 of the German Commercial Code [Handelsgesetzbuch, HGB]. Notifications of defects shall be made in writing and provide a specific and detailed description of the defect. Obvious defects shall be notified to ADVANTECH-DLoG in writing within one week of delivery, hidden defects within one week of being discovered. These periods are preclusion periods.
- 2) In the event of a defect, ADVANTECH-DLoG may remove the same at its choice by repair or replacement delivery. Should such repair or replacement delivery finally fail the customer shall be entitled at its choice to withdraw from the contract [Rücktritt] or to a reasonable reduction in the purchase price [Minderung]. Repair or replacement delivery will be made without acknowledging a legal obligation and shall not trigger a renewed limitation period for the claims for defects relating to the products.
- 3) The limitation period for claims based on defects is twenty-four (24) months from delivery for ADVANTECH-DLoG's own products. Where ADVANTECH-DLoG merely acts as a reseller of products manufactured by third parties the limitation period for claims based on defects is twelve (12) months from delivery. In case of fraudulently concealed defects the statutory limitation period shall apply.

- 4) No claims for defects shall exist for non-material deviations from the agreed condition which do not impair the product's use to an unreasonable extent, for ordinary wear and tear (e.g. degradation of rechargeable batteries, wear of display foils), faulty or negligent treatment, unsuitable or improper use, chemical, electrochemical or electronic influences, improper installation, operation, use or maintenance, or non-reproducible software errors, always provided that such damages are not attributable to fault on the part of ADVANTECH-DLoG. Also excluded are claims for defects attributable to inappropriate modifications, repairs, or the use of consumable materials (chemicals, operating materials) which do not correspond to ADVANTECH-DLoG's original specifications, by the customer or its appointee. Furthermore, no claims based on defects shall exist for products where (i) the serial number is missing, has been changed or obscured, or (ii) a product seal has been broken, unless the customer furnishes evidence that this was already the case at the time of delivery.
- 5) Irrespective of the customer's claims based on defects that are addressed herein and/or of any manufacturer's warranties the customer can, within the first six (6) months after delivery, request a free of charge replacement of batteries obtained from ADVANTECH-DLoG if during this period the batteries do not have the properties that are described in the manufacturer's relevant product specification. The other provisions of this clause 7 shall, with any necessary changes, also apply to this replacement claim.
- 6) In case of defects regarding products that are manufactured by third parties and for which ADVANTECH-DLoG merely acts as a reseller the customer shall be obliged to primarily raise any claims against the respective manufacturer (in particular claims based on a potential manufacturer warranty). Only if the customer's pursuit of such claims is not successful and such failure cannot be attributed to the customer the customer shall be entitled to raise claims based on defects under its purchase agreement with ADVANTECH-DLoG. Whenever the limitation period for customer's claims against the respective product manufacturer is suspended the same suspension shall also apply to the claims between the customer and ADVANTECH-DLoG.
- 7) If the customer wrongly asserts claims based on defects, ADVANTECH-DLoG shall be entitled to charge to the customer the reasonable expenses incurred to it for removing or determining the defect.
- 8) Claims of the customer for the reimbursement of expenses that were necessary for the purpose of subsequent performance [Nacherfüllung], notably the costs of transport, journeys, labor and material, are excluded to the extent that the expenditure is increased as a result of the products being brought to a place other than the agreed place of delivery. ADVANTECH-DLoG is entitled to invoice such increased costs to the customer.
- 9) Further claims based on defects of any kind whatsoever are excluded, without prejudice to any claims for damages that are subject to clause 10.

### 8. Software license

- 1) Unless a special license agreement exists, the following provisions shall apply for any software provided by ADVANTECH-DLoG.
- 2) ADVANTECH-DLoG grants to the customer a non-exclusive license to install and use the software, without the right to grant sub-licenses and limited to the purposes of customary use of those products for which the software is provided.
- 3) The customer is not entitled to perform the following acts:
  - a) modification, adaptation, translation, processing, arrangement or other reworking of the software as well as the reproduction of results achieved from the same, unless these acts are necessary for the rectification of defects and ADVANTECH-DLoG has not offered rectification within a reasonable time period and carried out the rectification within such a time period if commissioned to do so;

- disassembly, decompilation, reverse engineering or use of any other process to obtain the source code, unless such processes are required to achieve interoperability of an independently created computer program with other programs and ADVANTECH-DLoG has not made available the information required for this within a reasonable period;
- c) reproduction of the software with the exception of the installation of the software, the running of the software and the creation of a back-up copy which has to be marked as such;
- d) removal or modification of trademarks, copyright or other notices with reference to intellectual property rights in respect of the software;
- e) loaning, renting, leasing or other temporary supply of the software to third parties for use by the same.
- 4) The customer is only entitled to resell the software if it does not retain any copies of the software after such resale and if the buyer undertakes to comply with the license terms contained in this clause 8.
- 5) For third party software that is produced by manufacturers other than ADVANTECH-DLoG the respective manufacturers' own licensing may apply, which shall have precedence over these terms and conditions. Upon request ADVANTECH-DLoG will provide the relevant manufacturer licensing terms to the customer before the contract is concluded.

# 9. Intellectual property rights

- 1) ADVANTECH-DLoG is obliged to deliver the products free of copyrights and other intellectual property rights (hereinafter: "Intellectual Property Rights") within the country in which the products are to be used according to the contractual agreement (in cases of doubt: in the country of the place of delivery). In the event of a breach of the foregoing obligation, ADVANTECH-DLoG's liability towards the customer shall be subject to the following provisions, with the proviso that the products were used by the customer in accordance with this agreement, the infringement of Intellectual Property Rights is attributable to ADVANTECH-DLoG and the limitation period for claims for defects pursuant to clause 7.3 has not yet expired.
  - a) ADVANTECH-DLoG may at its choice either obtain at its own expense a right of use in respect of the Intellectual Property Right infringed which is sufficient for the agreed or presumed use, or modify the products in such a way that the Intellectual Property Right is no longer infringed, or exchange the products to the extent that the agreed or presumed use by the customer is not hereby impaired. If this is not possible or is unreasonable for ADVANTECH-DLoG, the customer may withdraw from the agreement in respect of the products concerned.
  - b) ADVANTECH-DLoG's liability for damages is subject to the provisions of clause 10.
  - c) The foregoing obligations of ADVANTECH-DLoG apply only to the extent that the customer (I) informs ADVANTECH-DLoG in writing and without undue delay of the assertion of claims by third parties, (II) does not concede the existence of an infringement vis-à-vis third parties, and (III) leaves all measures of defense and actions for the resolution of disputes to be undertaken by ADVANTECH-DLoG at the latter's discretion. If the customer discontinues use of the products to mitigate damages or for another justified reason, it is obliged to make clear to the third party that such discontinuation of use does not constitute any acknowledgement of the alleged infringement.
- 2) All claims of the customer are excluded if the infringement of an Intellectual Property Right has been caused by a way of use which is not provided for by ADVANTECH-DLoG, or a modification of the products by the customer or his appointee, or use of the same together with products not provided by ADVANTECH-DLoG or which ADVANTECH-DLoG has not recommended to be used together. The same shall apply if the infringement of Intellectual Property Rights is caused by the customer's own supplies, customer-specific product requirements, or by any other customer contribution to the ADVANTECH-DLoG products,

3) Any other claims of the customer against ADVANTECH-DLoG or its agents which exceed the rights set forth in this clause 9 and are based on an infringement of an Intellectual Property Right are excluded.

### 10. Liability

- 1) ADVANTECH-DLoG shall be liable for any damage, regardless of the legal cause, only if (I) such damage is attributable to the culpable (i.e. at least negligent) material breach of obligations by ADVANTECH-DLoG thus jeopardizing the contractual purpose, or to the culpable breach of duties the fulfillment of which is a pre-requisite for proper performance of the contract, or (II) such damage has been caused by gross negligence or willful misconduct by ADVANTECH-DLoG, or (III) ADVANTECH-DLoG has assumed a guarantee.
- 2) ADVANTECH-DLoG's liability shall be limited to the typical, foreseeable damage if ADVANTECH-DLoG (I) has culpably, but not by gross negligence or willful misconduct, materially breached obligations so that the contractual purpose is jeopardized, or has breached duties the fulfillment of which is a pre-requisite for proper contract performance, or (II) if employees or agents of ADVANTECH-DLoG who are not officers or executive staff have breached other obligations by gross negligence, or (III) if ADVANTECH-DLoG has assumed a guarantee, unless such guarantee is expressly designated as a guarantee as to condition.
- 3) In the cases of clause 10.2 no liability shall exist for indirect damage, consequential damage or loss of profit.
- 4) The limitation period for customer's claims for damages in the events as specified in clause 10.2 shall be two years from the point of time the customer obtains knowledge of the damage or, irrespective of this knowledge, three years from the damaging event. For claims based on defects of the products, the limitation period pursuant to clause 7.3 shall apply.
- 5) This clause shall not affect ADVANTECH-DLoG's liability pursuant to the German Product Liability Act [*Produkthaftungsgesetz*], for injury to life and limb, for fraudulent concealment of a defect or for the assumption of a guarantee as to condition.
- 6) Clauses 10.1 to 10.5 shall also apply in the case of any claims for damages of the customer against employees or agents of ADVANTECH-DLoG.

#### 11. Reservation of title

- 1) ADVANTECH-DLoG reserves title in the delivered products until full payment of all claims from the entire current business relationship with the customer ("Reserved Products").
- 2) The customer is entitled to resell the Reserved Products within the scope of ordinary business operations subject to reservation of title as long as the customer is not in default of payment towards ADVANTECH-DLoG. It is not permitted to pledge the Reserved Products or to use them as security.
- 3) As security for the claims of ADVANTECH-DLoG the customer hereby assigns with immediate effect its future receivables from the resale of the Reserved Products under clause 11.2 in the amount of the invoice value (including VAT) of the Reserved Products until full payment of all claims of ADVANTECH-DLoG under clause 11.1. ADVANTECH-DLoG accepts this assignment. If the Reserved Products are processed together with other items not belonging to the customer, the assignment shall be effected only in the proportion of the co-title shares in the Products being processed pursuant to clause 11.6. The customer shall retain the right to collect the receivables also after the assignment as long as the customer fulfills its payment obligations from the proceeds taken in, is not in default of payment and has not filed an application for the opening of insolvency proceedings nor suspended its payments. ADVANTECH-DLoG's power to collect the receivables itself shall not be affected thereby. At ADVANTECH-DLoG's request, the customer shall inform ADVANTECH-DLoG of the names and addresses of the buyers concerned as well as the type and scope of its claims existing against such

buyers. ADVANTECH-DLoG may at all times disclose the assignment in order to secure its claims for payment.

- 4) In the event of attachments or other interferences of third parties with the Reserved Products, the customer shall inform the third party that such goods are the property of ADVANTECH-DLoG and shall immediately notify ADVANTECH-DLoG. The customer shall bear all costs of any intervention proceeding and other defense measures in connection with such interference by third parties.
- 5) If the customer breaches the contract, in particular in the case of payment arrears, insolvency or deterioration of assets, ADVANTECH-DLoG may take possession of the Reserved Products at the customer's expense, even without rescinding the contract, and enter the customer's premises for that purpose. The customer's restitution claims against its own customers are hereby assigned to ADVANTECH-DLoG with immediate effect. Recovery or attachment of the Reserved Products by ADVANTECH-DLoG do not constitute a rescission of the contract. The contract shall only be rescinded by means of an express declaration, and if the customer is in breach of contract shall not require to grant the customer a cure period. ADVANTECH-DLoG shall be entitled to realize the Reserved Products and to satisfy its claims by setting off the proceeds therefrom against the outstanding receivables from the customer.
- 6) Any processing [Verarbeitung] or reworking [Umbildung] by the customer of the Reserved Products shall always be performed for ADVANTECH-DLoG. If the Reserved Products are processed or reworked with other items not belonging to ADVANTECH-DLoG, ADVANTECH-DLoG shall acquire co-title in the new thing in the proportion of the value of the Reserved Products to the other items that are processed or reworked at the time of such processing or reworking; in all other respects, the same provisions shall apply for the new thing thus created as for the Products delivered subject to reservation of title.

If the Reserved Products are inseparably commingled [vermischt] or combined [verbunden] with other items not belonging to ADVANTECH-DLoG, ADVANTECH-DLoG shall acquire co-title in the new thing in the proportion of the value of the Reserved Products to the other commingled or combined items at the time of commingling or combining. If the commingling or combining takes place in such a way that the thing of the customer is considered to be the principal thing, the customer shall transfer co-title to ADVANTECH-DLoG on a pro rata basis. The customer shall keep the sole title or co-title thus created free of charge in safe custody for ADVANTECH-DLoG. As security for the claims of ADVANTECH-DLoG against the customer, the latter hereby also assigns to ADVANTECH-DLoG the claims accruing against third parties by the combining of the Reserved Products with a real estate property.

- 7) If the value of the Reserved Products and of ADVANTECH-DLoG's other security exceeds the value of the secured claims by more than 20%, ADVANTECH-DLoG will release its security that is in excess of this threshold upon request.
- 8) If for foreign customers the above retention of title is not (or not fully) enforceable under applicable laws of the customer's country, ADVANTECH-DLoG's rights under the clauses above shall be limited to the extent permitted under such laws.

# 12. Disposal duties for electric goods

- 1) To the extent the products are electrical or electronic equipment within the meaning of the German Electrical and Electronic Equipment Act [Elektro- und Elektronikgerätegesetz, ElektroG] the customer shall assume at its costs the orderly disposal of the products after termination of use of such products.
- 2) The customer shall indemnify ADVANTECH-DLoG against any obligations under Sec. 10 para. 2 ElektroG and any third-party claims related thereto.
- 3) The customer shall by written contract impose an obligation on business third parties to whom it resells the delivered products to properly dispose of such products after their use is terminated, in accordance with statutory provisions and at the expense of such business third parties, and in the event of a further resale to impose such an obligation also on their customers. If the customer fails to

impose a contractual obligation on third parties to whom it resells the products to assume the disposal duty and to impose such duty in turn, and to document this, the customer shall be obliged to take back the products at its own expense and to orderly dispose of them in compliance with statutory provisions.

4) ADVANTECH-DLoG's claim to assumption and indemnification by the customer shall not become statute-barred before two years have elapsed from the final termination of the use of the products (suspension of expiration). The two-year suspension period shall start at the earliest upon receipt of written notification by the customer on the termination of use.

#### 13. Additional services for software deliveries

- 1) Software shall be delivered ready for installation. Further services relating to the software, in particular installation, configuration or maintenance, shall be rendered on the basis of separate agreements and according to ADVANTECH-DLoG's rates valid at the time. The customer shall then provide free of charge the required machine time, the staff operating the equipment as well as suitable rooms and all required technical facilities for the duration of such service.
- 2) Any training or introductory class for employees of the customer is not included in the scope of delivery and has to be agreed separately with ADVANTECH-DLoG.

#### 14. Additional services for hardware deliveries

- 1) Hardware shall be delivered ready for installation. Further services relating to the hardware, in particular installation and maintenance, shall be rendered on the basis of separate agreements and according to ADVANTECH-DLoG's rates valid at the time. The customer shall then provide free of charge the required machine time, the staff operating the equipment as well as suitable rooms and all required technical facilities for the duration of such service.
- 2) Separate orders must be placed for planning or other consulting services.

## 15. Export

The export of ADVANTECH-DLoG's products that are subject to applicable export control laws or regulations to non-EU countries is subject to ADVANTECH-DLoG's prior written consent, regardless of the fact that the customer itself is responsible for obtaining all official import and export licenses.

## 16. Subcontractors

ADVANTECH-DLoG is entitled to employ subcontractors for providing its services.

#### 17. Miscellaneous

- 1) Place of performance is ADVANTECH-DLoG's registered office in Germering, Germany.
- 2) Exclusive place of jurisdiction for all disputes arising from or in connection with the contractual relationship is the city of Munich, Germany. This does not apply for summary debt collection procedures and other mandatory legal venues which cannot be waived by contractual means. ADVANTECH-DLoG is also entitled to bring an action before the court having jurisdiction for the customer's registered office.

- 3) This agreement shall be governed by the laws of the Federal Republic of Germany, excluding any references to other jurisdiction and the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 4) To the extent that correspondence is conducted not in German but in a foreign language or installation instructions, documentations or notes are drawn up in a foreign language, in the event of contradictions between the German and the English version the German version shall prevail.
- 5) Should one or more provisions of these General Terms and Conditions or a provision within the framework of other agreements be or become invalid, the validity of all other provisions or agreements shall not be affected thereby. Invalid or missing provisions shall be replaced by valid clauses which come as close as possible to the intended purpose.

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