

General Terms and Conditions of Delivery of TQ Group

for the companies TQ-Systems GmbH, TQ-Systems Durach GmbH,
TQ-Systems International GmbH & Co KG and TQ-Systems Shanghai Co, Ltd.

§ 1 General - Scope

1. Our terms and conditions of delivery shall apply exclusively; we shall not recognise any terms and conditions of the customer which conflict with or deviate from or supplement our terms and conditions of delivery unless we have expressly agreed to their validity in writing. Our terms and conditions of delivery shall also apply to all future transactions with the customer, insofar as these are legal transactions of a related nature. Our terms of delivery shall also apply if we carry out the delivery to the customer without reservation in the knowledge that the customer's terms are contrary to, supplementary to or deviate from our terms of delivery.
2. A. Individual agreements made with the Buyer in individual cases (including ancillary agreements, supplements and amendments) shall in all cases take precedence over these Terms and Conditions of Delivery. Subject to proof to the contrary, a written contract or our written confirmation shall be authoritative for the content of such agreements.
3. Our terms and conditions of delivery shall only apply to companies or legal entities under public law or a special fund under public law within the meaning of Section 310 (1) of the German Civil Code (BGB) and also to all future transactions with the purchaser.

§ 2 Offer - offer documents

1. Our offers are subject to change. We reserve the right to make technical changes as well as changes in shape, colour and/or weight within the scope of what is reasonable.
2. With the order of a product the customer is bound according to § 145 BGB. We are entitled to accept the contractual offer contained in the order within four weeks of receipt. Acceptance shall take place exclusively by means of a written order confirmation.
3. If the order is placed electronically, we will confirm receipt of the order without delay. However, the confirmation of receipt does not represent a binding acceptance of the order, for which an order confirmation in text form is required in any case. The confirmation of receipt can also be combined with the declaration of acceptance.
4. The conclusion of the contract with the purchaser is subject to correct and timely delivery by our suppliers. The effectiveness of the reservation of self-delivery is dependent on the fact that a congruent legal transaction has been concluded with the supplier and that we are not responsible for the non-delivery. The purchaser will be informed immediately of the non-availability of the services. The consideration will be refunded by us without delay, insofar as it has already been paid.

§ 3 Prices - Terms of payment

1. Unless otherwise stated in the order confirmation, our prices are "ex works" excluding packaging, which will be invoiced separately.
2. The statutory value added tax is not included in our prices; it will be shown separately at the statutory rate on the day of invoicing.
3. The deduction of a cash discount requires a special written agreement.
4. The customer is obliged to pay our remuneration net (without deduction) within 7 days of the invoice date. If the customer is in default of payment, we are entitled to demand interest on arrears in the amount of 8% above the respective base interest rate. The assertion of further damage caused by default remains unaffected by this.
5. Unless a fixed price agreement has been made, we reserve the right to make reasonable price changes due to changes in wage, material and distribution costs for deliveries made after conclusion of the contract.
6. The customer shall only be entitled to set-off rights if his counterclaims have been legally established, are undisputed or have been acknowledged by us. In addition, he shall only be entitled to

exercise a right of retention insofar as his counterclaim is based on the same contractual relationship; beyond this, in commercial transactions, all rights of retention - regardless of the legal relationship - against us shall be excluded. The rights of the purchaser are only assignable with our written consent.

§ 4 Delivery time

1. If a period for the execution of the order by us is specified or agreed with the customer, this period shall commence upon receipt of our order confirmation, but not before receipt of all documents, approvals, releases or other information to be procured by the customer for the execution of the order, in particular not before clarification of all technical questions. The commencement of the delivery period stated by us and the observance of delivery deadlines shall be subject to the timely and proper fulfilment of the Purchaser's obligations; this shall apply, for example, to the receipt of all documents, approvals and releases to be provided by the Purchaser. If the aforementioned prerequisites are not fulfilled for reasons for which we are not responsible, the delivery periods shall be extended accordingly. We reserve the right to plead non-performance of the contract.
2. Insofar as we are prevented from fulfilling our obligation to perform due to special circumstances such as energy shortages, traffic disruptions, strikes, acts of terrorism, riots, lockouts, unforeseen technical difficulties, attacks by third parties on our IT infrastructure, pandemics and epidemics, delays due to customs or export control. If we are prevented from fulfilling the contract on time due to unforeseen technical difficulties, lockouts, attacks by third parties on our IT infrastructure, pandemics and epidemics, delays due to inspection and approval procedures under customs or export control law, allocations or other procurement, manufacturing or delivery disruptions which lie outside our area of responsibility and which demonstrably have a significant influence on our fulfilment of the obligation to perform, the delivery period for the execution of the order shall be extended by the respective period between the occurrence and elimination of the impediment. This shall also apply if such circumstances occur at our suppliers or subcontractors. In the event of an impediment to performance, we undertake to notify the customer immediately of both the occurrence and the elimination of the impediment. The agreement of the reservation of self-delivery according to § 2 number 4 remains unaffected.

Both claims for damages by the purchaser due to delay in delivery and claims for damages in lieu of performance are excluded in all cases of delayed delivery, even after expiry of any deadline set for us for delivery. This shall not apply in cases of liability for intent, gross negligence or injury to life, body or health. The customer may only withdraw from the contract within the framework of the statutory provisions if we are responsible for the delay in delivery. A change in the burden of proof to the detriment of the purchaser is not associated with the above provisions.

3. At the Supplier's request, the Purchaser shall declare within a reasonable period of time whether it withdraws from the contract due to the delay in delivery or insists on delivery.
4. If dispatch or delivery is delayed at the request of the Purchaser by more than one month after notification of readiness for dispatch, the Purchaser may be charged storage costs amounting to 0.5% of the price of the delivery items for each additional month or part thereof, but not more than a total of 5%. The contracting parties shall be at liberty to prove higher or lower storage costs.

5 Transfer of risk; default of acceptance

1. Unless otherwise agreed in writing, the risk of accidental loss or accidental deterioration of the goods shall pass to the Purchaser upon handover or, if shipment is desired, upon delivery of the item to the forwarding agent, the carrier or any other person or institution designated to carry out the shipment. This applies regardless of whether the goods are shipped from the place of performance or who bears the freight costs.
2. If the customer is in default of acceptance or violates other obligations to cooperate, we shall be entitled to demand compensation for the damage incurred by us in this respect, including any additional expenses. In this case, the risk of accidental loss or accidental deterioration of the object of sale shall also pass to the customer at the time at which he defaults in acceptance.

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§ 6 Force Majeure

1. We shall not be liable for the impossibility of delivery, the non-fulfilment of contractual obligations or delays in delivery insofar as this is caused by force majeure or other reasons beyond our control; these include in particular, but are not limited to, fire, storm, flood, earthquake, explosion, war, pandemics or epidemics, political unrest, energy shortages, raw material shortages, traffic disruptions, embargoes, strikes, sabotage, lock-outs, unforeseen technical difficulties, delays due to customs duties or other legal disputes. These include, but are not limited to, fire, storm, flood, earthquake, explosions, war, pandemics or epidemics, political unrest, energy shortages, raw material shortages, traffic disruptions, embargoes, strikes, sabotage, lock-outs, unforeseen technical difficulties, delays due to inspection and approval procedures under customs or export control law or other procurement, manufacturing or delivery disruptions (allocation) which are outside our sphere of responsibility or influence and which affect our performance of our obligation to perform. Insofar as we are prevented by the aforementioned circumstances from fulfilling the contract in a timely or correct manner, the delivery time for the execution of the order shall be extended by the respective proportionate period of time between the occurrence and the elimination of the obstacle. This shall also apply if the aforementioned hindrances occur at one of our subcontractors or service providers.
2. We will inform the purchaser in text form of any possible exceeding of the respective deadlines, material bottlenecks or other delivery bottlenecks. However, we shall not be liable for damages due to delay in delivery or non-performance due to force majeure or other reasons for which we are not responsible and which are beyond our control, in particular due to incorrect or untimely self-delivery.

§ 7 Cooperation of the Purchaser

1. The customer shall provide us with a contact person and a postal and e-mail address at which the contact person can be reached. This contact person must be authorised by the customer to make the decisions required for the processing of the order or to bring about such decisions without delay. Likewise, we shall name a contact person for the customer who can make the decisions required for the processing of the order or bring them about without delay.
2. If no contact person has been named in a separate form, the authorized representative of the purchaser listed in the order shall be deemed to be the contact person regulated in accordance with section 1.

§8 Delivery item

1. Our specifications regarding dimensions, weight, performance and material are made with care, but are non-binding unless they are expressly designated as binding. The same applies to all design specifications and proposals. We reserve the right to make changes due to technical developments.
2. We reserve all property rights, exploitation rights and copyrights as well as all other industrial property rights to all documents - including in electronic form - provided to the customer in connection with the processing of the order, such as calculations, drawings, samples, etc., without restriction. These documents may not be made accessible to third parties unless we give the customer our express written consent to do so. Insofar as we do not accept the orderer's offer within the period of § 2 number 2 or in all other cases of an order not coming about, these documents are to be returned to us without delay. Documents provided to us by the customer may be made accessible to third parties by us within the framework of proper order processing. Models, tools and other equipment for the execution of an order shall always remain our property, even if we charge a share of the costs. The observation, examination or dismantling of an object which has been handed over to the customer by us is not permitted. Deviations from this must be expressly agreed in writing between the customer and us within the framework of a project-related cooperation. Furthermore, we are entitled to the rights in accordance with the GeschGehG to all objects and information provided to the customer in confidence.

3. A functional final test of our products is only part of the delivery item if this has been agreed separately. In the absence of a separate agreement, the functional final inspection shall be the responsibility of the customer.
4. Partial deliveries are permissible insofar as they are reasonable for the customer.

§ 9 Warranty for defects

1. The warranty rights of the purchaser presuppose that he has duly fulfilled his obligations to inspect the goods and give notice of defects in accordance with § 377 of the German Commercial Code (HGB). Notifications of defects by the purchaser with a meaningful description of the defect must be made in writing without delay.
2. We guarantee that our products are manufactured in accordance with the generally accepted rules of technology and in a conscientious manner. Nevertheless, defects in our products in the hardware and software design and in the manufacturing processes are not unavoidable. For unavoidable defects in this sense, we shall only be liable for subsequent delivery or rectification (supplementary performance); any further warranty rights of the customer shall be excluded in these cases to the extent permitted by law. The same applies to functional defects of our products if we are only responsible for a visual inspection and not also a functional inspection and the functional defect could have been discovered during a functional inspection.
3. Section 439 (3) BGB shall not apply in the relationship with the customer. Claims by the customer for expenses incurred for the purpose of subsequent performance, in particular transport, travel, labour and material costs, shall be excluded insofar as the expenses increase because the goods delivered by us have subsequently been taken to a location other than the customer's branch office, unless the transfer is in accordance with their intended use. Sentence 1 shall apply mutatis mutandis to claims for reimbursement of expenses of the Purchaser pursuant to Section 445 a of the German Civil Code (BGB), provided that the last contract in the supply chain is not a purchase of consumer goods.
4. The purchaser's right of recourse against us shall only exist insofar as the purchaser has not entered into any agreements with its customer that go beyond the legally mandatory claims for defects. Furthermore, § 8 number 3 shall apply accordingly to the scope of the purchaser's right of recourse.
5. If, despite all due care, the delivery item should have a defect which was already present at the time of the transfer of risk, we shall provide a warranty - except in the case of insignificant deviations - in that we shall, at our discretion, subject to timely notification of defects by the customer, after setting a reasonable deadline by the customer, either subsequently deliver a defect-free product or rectify the defective condition. If we decide in favour of subsequent performance by remedying the defect, the customer shall only have further warranty rights if the remedying of the defect has failed twice. The reasonable period of grace shall not commence before the defect and our obligation to substitute have been established and proven.
6. If the supplementary performance finally fails, the customer may in principle demand a reduction of the remuneration (abatement) or rescission of the contract (withdrawal) at his discretion. In the event of a minor breach of contract, in particular in the event of minor defects, the Purchaser shall not be entitled to rescind the contract. With regard to the assertion of a right of withdrawal and a claim for damages, we refer to § 9.
7. The Purchaser shall have no claims based on Defect in cases of insignificant deviations from the agreed quality, of only minor impairment of usefulness, of natural wear and tear and of damage arising after the passing of risk from faulty or negligent handling, from failure to observe operating or handling instructions, from excessive strain, from unsuitable equipment, from defective workmanship, from inappropriate foundation soil or from particular external influences not assumed under the contract, or from non-reproducible software errors. If the purchaser or a third party carries out repair work, installation or removal work or changes improperly or not in agreement with us, there shall also be no claims for defects for these and the resulting consequences.

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8. The Purchaser shall bear the full burden of proof for all prerequisites for a claim, in particular for the defect itself, for the time of discovery of the defect and for the timeliness of the notice of defect. The Purchaser may not refuse to accept Supplies on the grounds of insignificant defects. If the customer's notice of defect is unjustified, we shall be entitled to demand reimbursement of the expenses incurred by us from the customer.
9. Unless otherwise agreed in writing, the warranty period for all products supplied by us is one year. The warranty period begins with the transfer of risk. In the case of intent, fraudulent concealment of the defect, non-compliance with a guarantee of quality and in the case of injury to life, body and health based on an intentional or grossly negligent breach of duty by the user, the statutory limitation period shall apply. Claims for reimbursement of expenses of the Purchaser pursuant to § 445a BGB (recourse of the Seller) shall also become statute-barred after 12 months from the statutory commencement of the limitation period, provided that the last contract in the supply chain is not a purchase of consumer goods. The statutory provisions on suspension of expiry, suspension and recommencement of the periods shall remain unaffected.
10. Claims for damages by the purchaser due to a material defect are excluded. This shall not apply in the event of fraudulent concealment of the defect, non-compliance with a quality guarantee, injury to life, limb or health and in the event of an intentional or grossly negligent breach of duty by the Supplier. A change in the burden of proof to the detriment of the Purchaser is not associated with the above provisions. Further claims or claims of the Purchaser other than those regulated in this § 8 due to a material defect are excluded.
11. Claims of the Purchaser based on a defect of title shall be excluded if the Purchaser is responsible for the infringement of the IPR and if the infringement of the IPR is caused by specifications made by the Purchaser, by an application not foreseeable by us or by the Supplies being modified by the Purchaser or being used together with products not provided by the Supplier.
12. Public statements, recommendations or advertising by the manufacturer, in particular in brochures, leaflets, etc., do not constitute a contractual description of the quality of the products.
13. The purchaser is hereby informed that the quality specifications presented in the performance description do not constitute guarantees in the legal sense. Quality specifications and guarantees going beyond the product description shall only be deemed to have been declared to the purchaser if they have been recorded in writing by us.

**§ 10 Right of withdrawal of the purchaser and
other liability of the supplier**

1. The Purchaser may withdraw from the contract insofar as the entire performance becomes finally impossible prior to the passing of risk in accordance with § 5 or the delivery has not taken place within a reasonable period of time, which may not be less than one month, unless the Supplier is at least predominantly responsible for the impediment to performance or it is a case in accordance with § 4 para. 2 of these provisions. Insofar as partial performances are possible which are otherwise usable for the Purchaser even after termination of the contract, the right of rescission shall be limited to the parts not yet performed.
2. If the impossibility occurs during the delay in acceptance or through the fault of the customer, the latter shall remain obliged to counter-performance. If partial performance within the meaning of paragraph 1 has already been rendered, a claim to remuneration shall also exist in this respect.
3. If the customer or a third party carries out modifications or repair work on the delivery item without our prior written consent, we shall not be liable for the resulting consequences. The provision of § 8 remains unaffected by this.
4. Unless otherwise stipulated in these terms and conditions of delivery, claims for damages on the part of the purchaser are excluded, irrespective of the legal grounds, in particular due to

breach of obligations arising from the contractual obligation and from unlawful acts.

This does not apply insofar as liability is assumed as follows:

- a) according to the product liability law,
- b) with intent,
- c) in the event of gross negligence on the part of the owner, legal representatives or executive employees,
- d) in case of bad faith,
- e) in the event of non-compliance with an assumed guarantee,
- f) culpable injury to life, limb or health, or
- g) due to the culpable violation of essential contractual obligations, i.e. obligations the fulfilment of which is a prerequisite for the proper performance of the contract and on the observance of which the contractual partner relies and may rely.

The claim for damages for the violation of essential contractual obligations is, however, limited to the foreseeable damage typical for the contract, unless another of the aforementioned cases applies.

5. Insofar as the delivery is impossible, the purchaser is entitled to demand compensation unless we are not responsible for the impossibility. However, the customer's claim for damages shall be limited to 10% of the value of that part of the delivery which cannot be used for its intended purpose due to the impossibility. This limitation shall not apply in cases of liability based on intent, gross negligence or injury to life, body or health; this shall not entail a change in the burden of proof to the detriment of the customer.
6. Liability for aviation risks directly or indirectly connected with the delivery item is excluded.
7. A limitation period of one year shall apply to all claims asserted against us for damages or compensation for futile expenses in the case of contractual and non-contractual liability - except in cases of intent or personal injury. The period shall commence at the point in time specified in Section 199 (2) of the German Civil Code (BGB). It shall come into effect at the latest upon expiry of the maximum periods stipulated in § 199 Paragraph 3 and Paragraph 4 BGB. The provision of § 8 number 5 remains unaffected.
8. The use of RoHS-compliant alternative articles for the manufacture of the delivery item by us is permissible in each individual case, even without express approval to this effect by the customer, provided that the technical product specification as such remains unchanged for the alternative articles used by us for the manufacture of the delivery item, apart from modifications that are unavoidable in terms of process technology (e.g. processing temperature) and material technology (RoHS substance limit values). We point out that the customer is obliged to observe the regulations of the EU directives 2011/65/EU (RoHS II) as of 08.06.2011 and directive (EU) 2015/863 as of 31.03.2015 (RoHS III), as well as all subsequent versions and the national regulations issued within the European Union in implementation of this directive (ElektroStoffV). Furthermore, we would like to point out that the recipient must observe the requirements of the EU directives 2012/19/EU (WEEE) including implementation in national law (ElektroG), and 94/62/EG (VerpackungsV) including implementation in national law (VerpackV) and is responsible in particular for compliance with the corresponding registration and disposal requirements. TQ's own products are registered with the EAR, WEEE No. 46311528. In order to conserve resources and in the interest of economic efficiency, we require the agreement of the recipient to dispose of packaging material that does not occur in the end customer area in an environmentally friendly manner. In order to reduce the environmental pollution caused by the packaging material, we maintain an appropriate system of circulating packaging. For packaging that accumulates in the end customer area (b2c), TQ is affiliated with a dual collection system. End customers can therefore return sales packaging from TQ devices to the usual collection points free of charge.
9. All environmentally relevant information or details (e.g. RoHS/REACH etc.) of our company on items, articles or products (e.g. in offers or orders) are based on our knowledge at the time of the respective information. This information is therefore non-binding and does not constitute a guarantee of the properties of the product or article described within the meaning of the statutory warranty provisions. In particular, the information does not re-

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lease the purchaser of the product or article from his responsibility to observe the laws and regulations applicable to the product.

10. The customer shall be responsible for ensuring that the products or parts thereof purchased from us are not subject to national or international export or import restrictions. The customer is obliged to provide all information and documents required for the export, transfer or import. If a product or parts thereof are subject to an export or import restriction, the Purchaser shall procure the necessary export or import licences at its own expense. In the event of ascertained violations of export or import restrictions, the customer shall expressly release us from any liability and responsibility in the external relationship - irrespective of the legal grounds. In the event of a violation, the customer shall also bear all damages incurred by us as a result. We accept no liability for delays in delivery resulting from national or international export restrictions or for the fact that a delivery cannot be carried out at all due to national or international export restrictions. We shall not be liable for compensation or damages in this case.

11 Retention of title

1. We retain title to the delivery item until receipt of all payments arising from the business relationship with the customer. This also applies to all future deliveries, even if we do not always expressly refer to this. In the event of conduct by the customer in breach of contract, in particular default in payment, we shall be entitled to take back the delivery item. The taking back of the delivery item by us does not constitute a withdrawal from the contract unless we have expressly declared this in writing. The seizure of the delivery item by us, on the other hand, always constitutes a withdrawal from the contract. After taking back the delivery item, we shall be entitled to realise it; the realisation proceeds shall be set off against the customer's liabilities less reasonable realisation costs.
2. As long as ownership has not yet passed to him, the customer is obliged to treat the delivery item with care; in particular, he is obliged to insure it adequately at his own expense against fire, water and theft at replacement value. Insofar as maintenance and inspection work is necessary, the purchaser must carry this out in good time at his own expense.
3. For the duration of the retention of title, the Purchaser may not pledge the Retained Goods or use them as security, and resale shall be permitted only to resellers in the ordinary course of their business and only on condition that the reseller receives payment from its customer or makes the transfer of title to the customer conditional upon the customer fulfilling its payment obligations.
4. In the event of seizures or other interventions by third parties, the purchaser must inform us immediately in writing so that we can take legal action in accordance with § 771 of the German Code of Civil Procedure (ZPO). Insofar as the third party is not in a position to reimburse us for the court and out-of-court costs of an action pursuant to § 771 ZPO, the customer shall be liable for the loss incurred by us.
5. The customer is entitled to resell the reserved goods in the ordinary course of business. The Purchaser hereby assigns to us by way of security the claims against the customer arising from the resale of the goods subject to retention of title together with all ancillary rights, including any balance claims, in the amount of the final invoice amount (including value added tax), without any further declarations being required. This assignment shall apply irrespective of whether the delivery item has been resold without or after processing. The customer shall remain entitled to collect this claim even after the assignment. Our authority to collect the claim ourselves remains unaffected by this. However, we undertake not to collect the claim as long as the customer meets his payment obligations from the proceeds collected, he is not in default of payment and, in particular, no application for the opening of insolvency proceedings has been filed or payments have not been suspended. However, if one of these cases exists, we can demand that the customer informs us of the assigned claims and their debtors, provides all information necessary for collection, hands over the relevant documents and informs the debtor (third party) of the assignment.

6. The processing or transformation of the delivery item by the customer is always carried out in our name and on our behalf. In this case, the customer's expectant right with regard to the delivery item shall continue with regard to the transformed item. If the delivery item is inseparably mixed or combined with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the objective value of the delivery item to the other mixed or combined items in such a way that the item of the customer is to be regarded as the main item, and it shall be deemed agreed that the customer transfers co-ownership to us on a pro rata basis. The customer shall hold the sole ownership or co-ownership thus created in safe custody for us with the diligence of a prudent businessman, whereby the new item shall be deemed to be goods subject to retention of title. The customer also assigns to us the claim to secure our claims against him which arise against a third party through the connection of the delivery item with a property.
7. We undertake to release the securities to which we are entitled at the request of the customer to the extent that the value of our securities exceeds the claims to be secured by more than 20 %; the choice of the securities to be released is ours.

12 Miscellaneous - Place of jurisdiction - Place of performance

1. The contractual relationship between the purchaser and us is subject to the law of the Federal Republic of Germany to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).
2. If the customer is a registered trader, our registered office shall be the place of jurisdiction; however, we shall also be entitled to sue the customer at the court of his place of residence.
3. Unless otherwise stated in the order confirmation, our registered office shall be the place of performance and exclusive place of jurisdiction for all disputes arising from the contractual relationship between the customer and us.

§ 13 Partial nullity

Should any provision of this agreement be or become invalid or unenforceable, this shall not affect the validity of the remaining provisions in accordance with § 306 BGB.