

General Terms and Conditions of Purchase (GTCP)

of AFT microwave GmbH

Donaustraße 18 71522 Backnang-Waldrems Germany

These **General Terms and Conditions of Purchase** (GTCP) of AFT microwave GmbH, Donaustraße 18 in 71522 Backnang-Waldrems (hereinafter referred to as "AFT") are only applicable in business transactions with entrepreneurs ("Unternehmer", sec. 14 German Civil Code "BGB"), legal persons under public law or special funds under public law.

1. General Provisions

1.1. These GTCP shall apply to all contracts, deliveries and services provided by the contractor to and for AFT. Conflicting or deviating general terms and conditions of the contractor shall only be accepted insofar as AFT has expressly agreed to them in writing (text form shall suffice, sec. 126b BGB).

1.2. With the first performance or delivery according to the present GTCP the contractor accepts their exclusive validity also for all further orders.

1.3. Orders, their amendments and supplements as well as verbal agreements of any kind, including subsequent amendments and supplements to these GTPC, must be confirmed in writing or text form in order to be effective.

1.4. The contractor undertakes to comply with the current provisions of the German Minimum Wages Act ("Mindestlohngesetz").

2. Delivery and Shipment

2.1. Delivery to AFT shall be made on the agreed date, packed and insured, unless otherwise agreed. Deviations from the content of the orders shall only be permissible with the prior written consent of AFT.

2.2. The contractor shall bear the risk of loss until delivery at the agreed place.

2.3. The contractor shall comply with any shipping instructions given to him by AFT, forwarding agent or carrier. The order and article numbers of AFT shall be indicated in all shipping documents, letters and invoices.

2.4. Costs of transport including packaging, insurance and all other ancillary costs shall be borne by the contractor unless expressly agreed otherwise. The contractor shall be liable for damage resulting from inadequate packaging, unless he proves that he is not responsible for such damage.

2.5. If the delivery has to comply with origin-related preferential regulations in accordance with existing trade agreements, the contractor shall provide the corresponding certificates of origin.

2.6. Retentions of title by the contractor shall only apply insofar as they relate to AFT's payment obligation for the respective products to which the contractor retains title. Extended or prolonged retentions of title shall not be permitted.

3. Delivery dates, delay

3.1. Agreed performance and delivery dates shall be binding. The contractor shall make the goods available in good time, taking into account the time for loading and dispatch to be agreed with the forwarder.

3.2. In case of delay AFT shall be entitled to claim lump-sum damages for each commenced week of delay amounting to 0.5 % of the order value affected by the delay, up to a maximum of 5 % in total; further legal claims (in particular revocation and damages) shall remain reserved. The contractor shall be entitled to prove to AFT that no or just a lower damage has been incurred as a result of the delay.

3.3. If the reasonable contractor foresees circumstances which could prevent him from delivering on time or in the agreed quality, AFT shall be informed without delay.

3.4. The contractor shall bear the risk of proper self-supply and shall therefore not be entitled to cancel or postpone agreed deliveries in whole or in part with reference to supply problems for which he is not responsible.

3.5. AFT shall be entitled to refuse acceptance of goods that are not delivered on the delivery date specified in the order and to return them or store them with third parties at the expense and risk of the contractor. Acceptance of a delayed delivery or service shall not be construed as a waiver of the claims for compensation to which AFT is entitled as a result of the delay.

4. Quality, acceptance and compliance with substance restrictions

4.1. The contractor warrants that the goods comply with the submitted specifications, drawings, delivery and test specifications, the relevant standards and the state of the art. CE conformity must be guaranteed. In particular, he assures to comply with all requirements and substance restrictions for his deliveries in accordance with the legal conditions that are valid for the EU. The current requirements of the EU RoHS Directive, the EU REACH Regulation and the EU Conflict Minerals Regulation shall be met.

4.2. If items delivered to AFT are classified as dual-use, armaments or nuclear goods, the contractor shall inform AFT of this in the order confirmation and invoice, stating the corresponding export list or ECCN number.

4.3. Force majeure, operational disruptions for which AFT is not responsible or other unavoidable events shall release AFT from the obligation of timely acceptance for the duration of their occurrence.

4.4. The values determined during the incoming goods inspection shall be binding for dimensions, weights and quantities of a delivery.

4.5. AFT shall retain any claim to payment of lump-sum damages even if it is not expressly asserted at the time of acceptance. Further claims shall also remain valid without any special reservation upon acceptance.

5. Prices and terms of payment

5.1. If no special agreement has been made, the prices shall include packaging and delivery. Value added tax is not included. Agreed prices are maximum prices; price reductions in the period between order and payment of the invoice shall be to the benefit of AFT.

5.2. Invoices shall be issued and sent immediately after dispatch of the goods, stating the order number and article number. The value added tax shall be shown separately.

5.3. Payment shall be made subject to proper delivery and correctness of price and calculation. The detection of a defect entitles AFT to withhold payment until the warranty obligation has been fulfilled.

5.4. Unless otherwise agreed, payments shall be made net 30 days after delivery and invoicing or within 14 days less 3% discount.

5.5. A shortened period of 6 calendar days shall apply to pre-notifications of SEPA direct debits.

6. Set-off and Assignment

6.1. The contractor may only set off undisputed or legally established claims against AFT.

6.2. The assignment of claims against AFT shall only be effective with the written consent of AFT.

7. Warranty and product liability

7.1. Acceptance shall be subject to an inspection for freedom from defects, in particular for correctness and completeness, insofar and as soon as this is feasible in the ordinary course of business. Notifications of defects shall be deemed to be in time if they are received by the contractor within a period of eight days from receipt of the goods or, in the case of hidden defects, from discovery.

7.2. The contractor shall indemnify AFT upon first request against all claims asserted against AFT by third parties on account of defects due to the contractor's contribution to the cause.

7.3. If the contractor does not start with the elimination of the defect immediately after AFT's request, AFT shall be entitled in urgent cases to carry out the elimination itself or to have it carried out by third parties at the expense of the contractor.

7.4. If costs arise as a result of the defective delivery or service, these shall be borne by the contractor. AFT without restrictions shall be entitled to all statutory warranty claims to the full extent.

7.5. The warranty period shall be at least 24 months from delivery at the place of performance. If the statutory warranty period is longer, this shall apply.

7.6. The contractor shall be liable for replacement deliveries and repair work to the same extent as for the original delivery item, i.e. also for transport, travel and labor costs, without limitation. The warranty period for replacement deliveries shall commence at the earliest on the date of arrival of the replacement delivery.

7.7. If claims are made against AFT due to product liability, the contractor shall indemnify AFT against such claims if and insofar as the damage was caused by a defect in the goods delivered by the contractor and he himself is liable to third parties.

7.8. The contractor undertakes to maintain a worldwide business and product liability insurance with a minimum coverage of Euro 2.5 million per personal/property damage - lump sum - until the expiry of the respective warranty periods and to prove this upon request by submitting the insurance policy; if AFT is entitled to further claims for damages, these shall remain unaffected by this.

8. Information and data, models and tools

8.1. Drawings, drafts, samples, manufacturing instructions, internal company data, tools, equipment, other know-how which AFT has provided to the contractor for the submission of an offer or for the execution of an order, or which have been created at the expense of AFT, shall remain or become the property of AFT. They may not be used for other purposes, reproduced or made available to third parties. Their use shall only be permitted for the contractually agreed purposes. The obligation of secrecy shall apply.

8.2. Models and tools made by the contractor at AFT's expense shall become the unrestricted property of AFT upon payment and shall be permanently marked by the contractor as the property of AFT. The contractor shall be obliged to use the models and tools exclusively for the production of the goods ordered by AFT. Furthermore, the contractor shall be obliged to insure the models and tools belonging to AFT at replacement value against fire, water and theft damage at his own expense.

9. Industrial property rights of third parties

The contractor assures that the rights of third parties do not oppose the intended use of the purchased goods, in particular that industrial property rights of third parties are not infringed. If AFT is nevertheless held liable for a possible infringement of third party rights, e.g. copyrights, patents and other industrial property rights, the contractor shall indemnify AFT from this and from any necessary expenses in connection therewith. The limitation period for these claims shall be three years from the transfer of risk. The contractor shall have the right to prove that he is not responsible for the infringement of the rights of the third party. Any further legal claims due to defects of delivered products remain unaffected.

10. Data protection

The contractor revocably declares its consent to the processing of personal data provided in compliance with the statutory provisions.

11. Severability clause

Should any provision of these GTPC and the further agreements be or become invalid, this shall not affect the validity of the remaining provisions. The contracting parties shall replace the invalid provision by a provision that comes as close as possible to the economic purpose of the invalid provision.

12. Place of performance, applicable law, place of jurisdiction

12.1. The place of performance for deliveries and services shall be the place to which the goods are to be delivered according to the order or at which the service is to be rendered.

12.2. The contractual relations shall be governed exclusively by German law to the exclusion of German private international law and the UN Convention on Contracts for the International Sale of Goods ("CISG").

12.3. In the event of any disputes, if the contractor is a merchant ("Kaufmann", sec. 1 et seq. German Commercial Code "HGB") or has no general place of jurisdiction in Germany, the exclusive place of jurisdiction shall be the registered office of AFT. However, AFT shall also be entitled to take legal action against the contractor at its registered office or at the location of its branch office.