

Purchasing terms and conditions of CEOTRONICS AG

1 General, scope

- (a) These General Purchasing Terms and Conditions (T&Cs) shall apply to all business relations between CEOTRONICS AG (CEOTRONICS) and its business partners and suppliers (hereinafter: „Supplier“). The T&Cs shall only apply if the Supplier is a trader (section 14 of the Bürgerliches Gesetzbuch (BGB, German Civil Code)), a legal person under public law, or a special fund under public law.
- (b) The T&Cs shall apply in particular to contracts for the sale and/or supply of movable property (hereinafter also: „Goods“), irrespective of whether the Supplier manufactures the goods or purchases them from sub-suppliers (sections 433, 650 of the BGB). The then current version of the T&Cs shall also apply as a master agreement to future contracts for the sale and/or supply of movable property with the same Supplier, without the need for CEOTRONICS to refer to them again in each specific case.
- (c) These T&Cs shall apply to the exclusion of all others. General terms and conditions of the Supplier that deviate from, contradict, or supplement these T&Cs shall become part of the contract only if and to the extent that CEOTRONICS has explicitly consented to their applicability in writing. This consent requirement shall apply in all cases, including for example if CEOTRONICS accepts the Supplier's deliveries without reservation in cognizance of the Supplier's general terms and conditions.
- (d) Individual agreements made with the Supplier in specific circumstances (including ancillary agreements, supplements, and modifications) shall always take precedence over these T&Cs. The contents of such agreements shall be determined by a written contract or written confirmation by CEOTRONICS.
- (e) Legally material declarations and notifications to be issued to CEOTRONICS by the Supplier after the contract has been entered into (e.g., specification of periods of notice/ deadlines, reminders, notice of cancellation) shall only be effective if made in writing.
- (f) References to the applicability of statutory provisions are only intended as clarification. Consequently, the statutory provisions shall apply even without such clarification, unless they have been directly modified or specifically excluded in these T&Cs.

2 Quality and documentation

- (a) The Supplier shall comply with state-of-the-art technology standards, safety requirements, and the agreed technical specifications for the goods and services it supplies.
- (b) Changes to the goods and/or services to be delivered require the prior written approval of CEOTRONICS.

- (c) The Supplier must be able to produce evidence of a transparent quality management system and environmental management system.
- (d) The Supplier shall perform regular quality checks on the goods and/or services to be delivered. In particular, the Supplier undertakes to perform and document a reliable outgoing goods inspection before delivery.
- (e) The parties to the contract shall inform each other of any opportunities for quality improvement.

3 Orders

- (a) Supply contracts and other contractual declarations shall be made in writing. The Supplier shall confirm in writing the acceptance of orders, quoting the supplier, order, and item numbers, binding prices, and the delivery time.
- (b) CEOTRONICS shall have the right to cancel the order until it has been accepted by the Supplier. If the order is not canceled, CEOTRONICS shall be bound by the order one week after it has been received.
- (c) CEOTRONICS shall have the right to amend the time and place of delivery and the type of packaging at any time before the agreed delivery date by giving at least 5 calendar days' written notice. The same shall apply to changes to product specifications (design and execution), if they can be implemented as part of the Supplier's normal production processes without material additional effort; in such cases the minimum period of notice as specified in the preceding sentence shall be 14 calendar days. The Supplier shall inform CEOTRONICS immediately of the expected increase or decrease in costs based on a careful estimate. The change order shall only take effect if agreement is reached between CEOTRONICS and the Supplier about any proven reasonable increase or decrease in costs incurred by the Supplier. If changes result in delays in delivery that cannot be avoided during the Supplier's normal production and business operations without unreasonable effort, the originally agreed delivery date shall be postponed. The Supplier shall notify CEOTRONICS of the expected delay in delivery in writing, based on a careful estimate, in good time before the delivery date, but at the latest within 2 working days of the change request having been received in accordance with sentence 1.
- (d) CEOTRONICS shall have the right to terminate the contract at any time, giving written notice and stating the reason, if the ordered products can no longer be used in its business operations because of circumstances that have occurred after the contract was entered into. In such a case, CEOTRONICS shall compensate the Supplier for the partial supply made.

- (e) There shall be no over- or undersupply on orders. Undersupplies shall be noted on the delivery note. Oversupplies in excess of the order shall be returned at the Supplier's expense.

4 Prices

- (a) Unless agreed otherwise, prices shall include shipping and handling and shall be charged in EUR excluding tax, in particular value added tax, but including customs duties and other charges, packaging, freight, tolls, postage, and insurance.
- (b) If contrary to section 4 (a) the price specified in the agreement made does not include packaging and the consideration for the packaging - to the extent that it is not merely provided on loan - has not been specifically determined, such packaging shall be charged at cost.
- (c) All order confirmations, delivery notes, and invoices shall specify the order number, item number, delivery volume, and delivery address of CEOTRONICS. If one or more of these details are not provided and their absence delays processing by CEOTRONICS in the course of normal business transactions, the payment terms specified in section 3 shall be extended by the period of the delay.
- (d) Price changes shall be announced with three months' notice and shall only become effective once CEOTRONICS has confirmed them in writing.

5 Sample requests

Samples requested by CEOTRONICS shall be provided and delivered free of charge.

6 Customer-supplied material

- (a) Customer-supplied materials are items provided to the Supplier that are needed to manufacture a product. CEOTRONICS shall provide customer-supplied materials without charge for freight and packaging. The Supplier shall keep an up-to-date record of inventories of customer-supplied materials and shall notify CEOTRONICS of their levels once a year (on June 1 of each year). Customer-supplied materials shall be returned without charge for freight and packaging. The type of packaging and shipping method shall be agreed with CEOTRONICS.
- (b) Customer-supplied materials shall remain the property of CEOTRONICS and shall be stored free of charge by the Supplier separately from other items and with the care of a prudent businessman and shall be labeled as the property of CEOTRONICS. They shall be used exclusively to fulfill orders from CEOTRONICS. Damage to customer-supplied materials shall be reimbursed by the Supplier.

(c) If customer-supplied materials are processed or modified, this activity shall be carried out on behalf of CEOTRONICS. CEOTRONICS shall directly become the owner of the new items created in this process. If the customer-supplied materials only make up part of the new items, CEOTRONICS shall be entitled to co-ownership of the new items in proportion to the value of the customer-supplied materials they contain.

7 Processing, delivery, packaging, and labeling

(a) Subcontracts shall only be assigned with the consent of CEOTRONICS, unless they are for the supply of standard market components needed for the manufacture of the ordered products.

(b) A delivery note shall be attached to each delivery, stating the CEOTRONICS order number and item number and a description of the contents by type and quantity.

(c) The packaging costs shall be for the Supplier's account. The type of packaging and labeling shall in all cases be agreed with CEOTRONICS. The maximum weight of 20 kg per carton shall not be exceeded.

(d) The delivery of the goods shall normally be made in commercially available disposable standard packaging. The disposable standard packaging shall be made from environmentally friendly, recyclable materials in accordance with the then-current version of the Verpackungsverordnung (Packaging Regulation) and its volume and weight shall be limited to the extent necessary. An effort shall be made to use reusable packaging. When using reusable packaging, the Supplier shall provide the packaging on loan. The Supplier shall take back the packaging at its expense if requested by CEOTRONICS. The cost and risk of returning any packaging shall be borne by the Supplier. Packaging that cannot be reused shall be disposed of at the manufacturer's expense.

8 Freight

(a) Deliveries to CEOTRONICS shall be carriage paid. Shipments shall be sent by forwarding agent or by the parcel service belonging to the post office/GLS/UPS/DPD/TNT.

(b) For multi-parcel consignments sent by post or parcel service, the following shall be observed: The delivery shall arrive complete in a single delivery. The parcel service shall be informed that the consignment consists of multiple parcels. The parcels belonging to a multi-parcel consignment shall be labeled as such. One delivery note shall be created for each package. The calculation of due dates for payment shall be based on the date on which the last package is received. If several packages are sent, a packing list shall be included.

(c) Even if shipment has been agreed, the risk shall only pass to CEOTRONICS when the goods are handed over to CEOTRONICS at the agreed place of destination.

9 Delivery, delivery dates, and deadlines

(a) The specified delivery dates shall be the dates the goods are received at the specified delivery address. Agreed dates and deadlines are binding.

(b) Early delivery is not permitted.

(c) The Supplier shall not have the right to make partial deliveries.

(d) If the Supplier can foresee that the goods cannot be delivered by the delivery deadline, it shall inform CEOTRONICS immediately in writing, stating the reasons and the expected delivery date. CEOTRONICS' statutory rights due to default shall remain unaffected by this.

10 Delay in delivery, contractual penalty

(a) If the date by which the delivery has to be made at the latest is contractually determined, the Supplier shall be in default at the end of that day without a reminder having to be issued.

(b) If there is a delay in delivery, CEOTRONICS shall have an unrestricted entitlement to its statutory rights, including the right to withdraw from the contract and the right to compensation for damages in place of performance, after the Supplier has failed to perform within an appropriate period of grace.

(c) If the Supplier is in default, CEOTRONICS may demand a contractual penalty of 1% of the net price for each full calendar week, up to a maximum of 5% of the net price of the goods delivered late. CEOTRONICS shall have the right to demand the contractual penalty in addition to performance and as the minimum compensation for damages owed by the Supplier in accordance with the statutory provisions; the right to assert claims for further damages shall remain unaffected by this. If CEOTRONICS accepts the delayed delivery, CEOTRONICS must claim the contractual penalty at the time of the final payment at the latest.

11 Force majeure

Force majeure, industrial disputes, unrest, regulatory measures, and other unpredictable, unavoidable, and serious events shall exempt the parties to the contract from their duties to perform for the duration of the event and to the extent of its impact. This shall apply even if these events occur at a time when the respective party to the contract is in default. The parties to the contract are obliged, to a reasonable extent, to provide the necessary information without delay and to adapt their obligations to the changed circumstances in good faith.

12 Notification of defects, inspection requirement, requirement to give notice of defects, and inspection effort

(a) CEOTRONICS shall perform an incoming goods check only with regard to externally visible damage and externally identifiable deviations in identity and quantity. CEOTRONICS reserves the right to perform a more far-reaching incoming goods inspection.

(b) Notice of any quality and quantity variances shall be deemed to have been given in good time if CEOTRONICS informs the Supplier within 5 working days of receipt of the goods. Notice of any concealed material defects shall be deemed to have been given in good time if CEOTRONICS informs the Supplier within 3 working days of discovery.

(c) The acceptance or approval of submitted samples or specimens shall not mean that CEOTRONICS waives its warranty claims.

(d) Receipt of written notification of defects by the Supplier shall interrupt the limitation period for warranty claims. If replacement goods are supplied or defects repaired, the warranty period shall begin again for the replaced or reworked items, unless the Supplier's behavior required CEOTRONICS to assume that the Supplier did not regard itself as obliged to take this measure, but provided the replacement goods or repaired the defects only as a gesture of goodwill or for similar reasons.

(e) The costs incurred as a result of notifications of defects shall always be for the Supplier's account, even if the costs were incurred in vain. If CEOTRONICS returns defective goods to the Supplier, CEOTRONICS shall have the right to reverse the debit of the invoice amount plus a handling fee of 5% of the price of the defective goods, up to a maximum of €250 per return shipment. CEOTRONICS reserves the right to provide evidence of higher expenses. The Supplier shall have the right to provide evidence that lower or no expenses were incurred.

(f) The Supplier is obliged to respond to each notification of defects/complaint within 10 calendar days by providing a meaningful 8D Report, which summarizes and analyzes the results and planned corrective measures, including a time schedule for their implementation.

(g) CEOTRONICS reserves the right to conduct an audit at any time, if there are problems caused by the Supplier or the Supplier's response times are unacceptable. The results of quality tests and audits conducted at the Supplier, including planned and effectively performed corrective measures, shall be documented and produced in full whenever requested.

13 Special obligations of the Supplier

(a) The Supplier guarantees that all supplies of goods/services are in conformity with state-of-the-art technology, the relevant legal provisions and the regulations and guidelines issued by government authorities, occupational health and safety agencies, and trade associations.

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(a) The Supplier guarantees that all supplies of goods/services are in conformity with state-of-the-art technology, the relevant legal provisions and the regulations and guidelines issued by government authorities, occupational health and safety agencies, and trade associations.

(b) As far as is financially and technically possible, environment-friendly products and methods shall be used for all supplies of goods/ser-

vices, including sub-supplies or ancillary goods or services from third parties.

14 Export Control Clause

- (a) The Supplier acknowledges and undertakes to inform CEOTRONICS immediately of any intended supply of information, goods, materials, services or technology (hereinafter referred to as "Goods") to CEOTRONICS of which the Supplier has knowledge or, after careful examination, reason to believe that they are subject to restrictions imposed by German, EU, U.S. or other applicable regulations (e.g. licensing requirements, personal or country-related sanctions). The Supplier shall inform CEOTRONICS, if known to the Supplier, where the controlled goods are listed (e.g. on the U.S. Commerce Control List) and which restrictions apply to the export, re-export, transfer, disclosure or supply of the controlled goods under the applicable regulations.
- (b) The Supplier shall, at its own expense, obtain and maintain any government approvals, authorizations, registrations, permits or licenses it requires to export, re-export, transfer, disclose or supply goods under this Agreement.
- (c) The Supplier shall also cooperate with CEOTRONICS to the extent that the Supplier shall provide CEOTRONICS upon request with information and other support necessary for the controlled goods' export classification, export documentation and export approval at no cost.
- (d) In any case, the Supplier undertakes not to export, re-export, transfer, disclose or supply controlled goods without CEOTRONICS' prior express written consent.
- (e) In the event of a breach of the aforementioned obligations by the Supplier, it shall immediately indemnify CEOTRONICS in full against all claims asserted against CEOTRONICS by authorities or other third parties and shall compensate CEOTRONICS for all damage caused by the breach. This shall not apply if the breach is not imputable to the Supplier.

15 Safety and environmental protection

- (a) All supplies of goods and services shall comply with the statutory provisions, in particular the safety and environmental protection provisions, including the Restriction of Hazardous Substances Directive (RoHS), the Elektroggesetz (ElektroG - German Electrical and Electronic Equipment Act), and the safety recommendations of the relevant German professional bodies and trade associations, e.g., VDE, VDI, DIN. Applicable certificates, test reports, and evidence shall be supplied with the goods and services free of charge.
- (b) The Supplier is obliged to determine and comply with the latest version of the guidelines and laws on substance restrictions applicable to its components. The Supplier is obliged not to use prohibited substances. The Supplier shall declare on the specifications substances to be avoided and hazardous substances as defined in the appli-

cable laws and guidelines. CEOTRONICS shall be notified immediately if substance limits have been exceeded or prohibited substances have been supplied.

- (c) The Supplier is obliged to call attention to hazardous goods in the order confirmation, stating the UN number and hazard class. The relevant safety datasheets shall be attached to the order confirmation. Hazardous substances and hazardous goods shall be packaged, labeled, and shipped in accordance with national and international regulations. The information on the accompanying documents shall comply with the respective national regulations. The Supplier is responsible for ensuring that these obligations are met, including by its subcontractors. It shall be liable for all damages and expenses incurred as a result of any breach of its duties. Shipments that CEOTRONICS cannot accept because the above duties have been breached shall be stored at the Supplier's expense and risk. CEOTRONICS shall have the right to identify the contents and condition of goods that have obviously been damaged.
- (d) No ozone-destroying substances, such as carbon tetrachloride, 1,1,1-trichloroethane, CFCs, shall be used in the manufacture of goods and packaging supplied to CEOTRONICS.
- (e) When supplying goods and services, the Supplier shall have sole responsibility for compliance with accident prevention regulations. Any protective devices required in terms of such regulations and any manufacturer instructions shall be delivered with the goods or services free of charge.

16 Liability and warranty for material and legal defects

- (a) The Supplier shall be liable for the environmental compatibility of the supplied products and packaging materials and for all consequential losses arising from any breach of its statutory disposal obligations.
- (b) Safety datasheets shall be submitted (at least in German and English) together with tenders and with the delivery note at the time the first delivery is made. The Supplier shall indemnify CEOTRONICS from all recourse claims by third parties in case the safety datasheets are not supplied or are supplied late. The same shall apply to all subsequent amendments.
- (c) Any performance defects notified during the limitation period, including the failure to reach guaranteed values and the absence of warranted features, shall be eliminated by the Supplier immediately and free of charge by the Supplier rectifying the defect or making a replacement delivery, at the option of CEOTRONICS. If a reasonable deadline for rectification or replacement delivery set by CEOTRONICS in writing is not met, CEOTRONICS shall be entitled to exercise its statutory warranty rights.
- (d) If the Supplier culpably fails to meet its obligation under the liability for defects within a reasonable period of time determined by

CEOTRONICS, CEOTRONICS is entitled to take, or ask a third party to take, the required measures at the Supplier's expense and risk. In urgent cases, CEOTRONICS shall, after consultation, be entitled to carry out the rectification work itself or to ask a third party to do so. In meeting its obligation to mitigate damages, CEOTRONICS shall be able to eliminate minor defects itself without prior consultation without hereby limiting the Supplier's obligations under the liability for defects. The Supplier is responsible for the costs incurred in it doing so. The same shall apply if there is a risk of unusually large loss or damage.

- (e) The warranty period shall be three years, unless a different period has been explicitly agreed. It shall begin with the handover of the goods and/or services to be delivered to CEOTRONICS or a third party nominated by CEOTRONICS at the specified point of delivery or use. For devices, tools, machinery, and equipment, the warranty period shall start on the date of acceptance specified in the written acceptance declaration. If acceptance is delayed through no fault of the Supplier, the warranty period shall last for three years from the date the goods and/or services to be delivered were made available for acceptance.
- (f) In the case of delivery items that cannot remain operational during the investigation of a defect and/or its repair, any current warranty period shall be extended by the period of non-operation. In the case of reworked or newly delivered parts, a new warranty period shall begin as soon as the defect has been rectified or, if acceptance has been agreed, at the time of acceptance.

17 Claims for serial damage

Serial damage shall exist if CEOTRONICS and the Supplier jointly determine on the basis of the damage profile and the cause of the damage that has occurred that this damage may occur on all delivered parts or on a certain portion of the delivered series (batch). Irrespective of that, serial damage shall exist if the same damage is detected on at least 10% of all delivered parts or of a certain part of the series (batch). The damage ratio shall be calculated on the basis of all incidences of damage that are similar with regard to their damage profile and/or the cause of the damage and are detected within a period of 24 months of the occurrence of the similar type of damage. In case of serial damage, the Supplier cannot plead the expiry of the warranty period. At the option of CEOTRONICS, the Supplier is obliged to rectify, or deliver replacements for, all delivered parts or a certain part of the series (batch) on which the serial damage may occur, irrespective of whether such damage has already occurred.

18 Indemnification from liability for material and legal defects

- (a) The Supplier shall indemnify CEOTRONICS from all claims made against CEOTRONICS because of a breach of regulatory safety requirements or on the basis of national and international product liability regulations or

laws, caused by the defectiveness of the goods and products it has supplied.

- (b) The Supplier shall indemnify CEOTRONICS from all claims - regardless of the legal basis - that third parties make against CEOTRONICS because of defects in the goods supplied and shall reimburse any costs necessary to bring legal action in this respect.
- (c) The Supplier shall guarantee that all supplies are free from third-party rights and in particular that the delivery and use of the goods and products does not infringe any patents or other industrial rights of third parties.

19 Supplier recourse

- (a) In addition to claims for defects, CEOTRONICS shall be entitled without restriction to make statutory recourse claims within a supply chain (supplier recourse in accordance with sections 445a, 445b, 478 of the BGB). In particular, CEOTRONICS shall have the right to demand from the Supplier the type of cure (rectification or replacement) that CEOTRONICS is obliged to provide to its customer. This shall not affect the statutory right of choice (section 439 (1) of the BGB).
- (b) Before CEOTRONICS acknowledges or honors a claim for defects made by the customer (including reimbursement of expenses in accordance with sections 445a (3), 445b (2), 478 of the BGB), CEOTRONICS shall inform the Supplier, briefly explaining the circumstances, and ask for written comment. If no comment is issued within a reasonable period and no amicable solution is reached, the claim for defects that CEOTRONICS has actually conceded shall be deemed to be due to the customer; in such a case, the Supplier is obliged to prove the contrary.
- (c) The supplier recourse claims shall be valid even if CEOTRONICS or a customer has processed the goods further, e.g., by integrating them into another product, before selling them to a consumer.

20 Producer liability

- (a) If the Supplier is responsible for product damage, it shall indemnify CEOTRONICS against claims for damages by third parties to the extent that the cause of such damage was under the Supplier's control and within its organizational remit and the Supplier is liable itself on the basis of the external relationship between the parties.
- (b) Under its indemnification obligation, the Supplier shall reimburse expenses in accordance with sections 683, 670 of the BGB incurred as a result of or in connection with a third-party claim, including recalls conducted by CEOTRONICS. To the extent possible and reasonable, CEOTRONICS shall inform the Supplier of the substance and extent of recalls and give it the opportunity to comment. Further statutory claims shall remain unaffected by this.
- (c) The Supplier shall take out and maintain product liability insurance with lump-sum

cover of at least EUR 5 million per personal/physical loss event.

21 Spare parts

- (a) The Supplier is obliged to keep spare parts for the products supplied to CEOTRONICS for a period of at least 15 years after delivery.
- (b) If the Supplier intends to discontinue the manufacture of spare parts for the products supplied to CEOTRONICS, it shall inform CEOTRONICS immediately of the decision to discontinue manufacture. Subject to paragraph 1, the date of this decision must be at least 12 months before manufacture is discontinued.

22 Nondisclosure / licenses and similar rights / competition / contract penalty clause

- (a) The Supplier undertakes to keep confidential all information to which it has access in connection with the performance of the business relationship (in particular about the object of delivery itself, its possible uses, production methods, and numbers) for an unlimited period and neither to record nor forward or utilize it, unless this is necessary to fulfill the purpose of the contract. The Supplier shall ensure via suitable agreements with the employees, vicarious agents and parties employed in fulfilling its obligations that they likewise do not use such information for their own purposes, pass it on to third parties, or make unauthorized records of it; this prohibition shall apply for an unlimited period.
- (b) All tools, documents, models, drawings, samples, and other manufacturing aids supplied by CEOTRONICS shall be the property of CEOTRONICS. They shall be made available to third parties only with the written permission of CEOTRONICS and shall be returned whenever requested by CEOTRONICS, and at the latest on termination of the business relationship.
- (c) Goods manufactured according to documents, models, drawings, samples, and formulated system solutions designed by CEOTRONICS or using materials provided by CEOTRONICS or on the basis of confidential information or with tools from CEOTRONICS or replicas of such tools shall not be used by the Supplier itself or offered or supplied to third parties.
- (d) CEOTRONICS shall have the exclusive right to insights and information the Supplier has obtained in implementing the business relationship. Such insights and information shall be brought to the notice of CEOTRONICS without restriction. The Supplier shall use such information and know-how only for the performance of the supply contract.
- (e) The Supplier shall only use the contractual relationship for marketing purposes with the written approval of CEOTRONICS.
- (f) The Supplier shall pay to CEOTRONICS a contractual penalty of EUR 50,000.00 for each breach of the above obligations by the

Supplier. The right to assert claims for additional damages shall remain unaffected by this; the contractual penalty shall be deducted from any claim.

23 Invoices and payments

- (a) Unless different arrangements have been agreed in writing, payment for supplies received by CEOTRONICS between the 1st and 15th day of a month (date of goods receipt) shall be made at the end of the month and payment for supplies received between the 16th and 30th/31st day of a month shall be made by the 15th of the following month, less a discount of 3%, or within 60 days net. For deliveries accepted before the agreed date, the due date shall be based on the agreed delivery date.
- (b) Payments shall be made by direct bank transfer.
- (c) The day on which CEOTRONICS' bank receives the direct transfer instruction shall be deemed to be the date of payment.
- (d) Payments shall not constitute acceptance that the goods or services have been supplied in accordance with the contract. In case of defective or incomplete supplies of goods or services, CEOTRONICS shall be entitled, without prejudice to other rights, to withhold payment of receivables under the business relationship on a pro rata basis to an appropriate extent until the contract has been duly performed, without becoming liable for compensation.
- (e) The Supplier shall not have the right to assign its receivables from CEOTRONICS or to have them collected by third parties without the consent of CEOTRONICS, which shall not be unreasonably withheld.
- (f) Invoices shall be issued in duplicate, quoting the supplier, order, item, and delivery note numbers.
- (g) The value added tax number and value added tax identification number shall be quoted on each invoice.
- (h) Invoices shall be submitted under separate cover.

24 Transfer of risk, acceptance, title

- (a) Irrespective of the agreed pricing terms, risk shall pass to CEOTRONICS on delivery, when the goods are received at the delivery address specified by CEOTRONICS.
- (b) Any extended or expanded retention of title shall be excluded.

25 Cancellation and termination

- (a) If, after the contract has been entered into, it becomes apparent that the supplies to which CEOTRONICS is entitled are at risk because of the Supplier's insufficient ability to perform, CEOTRONICS shall be able to refuse payment and set a reasonable time limit for the Supplier within which it has to

deliver against payment, or provide collateral. If the Supplier refuses or fails to meet the deadline, CEOTRONICS AG shall have the right to withdraw from the contract and demand compensation for damages.

- (b) CEOTRONICS shall have the right to terminate the contract without notice if insolvency proceedings are filed against the Supplier's assets.

26 Final provisions

- (a) Should one of the provisions of these Purchasing Terms and Conditions be or become invalid, this shall not affect the validity of the other provisions. The parties to the contract are obliged to replace the invalid provision with one whose economic effect resembles it as closely as possible.
- (b) These Terms and Conditions shall be governed exclusively by the laws of the Federal Republic of Germany, where nothing to the contrary has been agreed for specific circumstances. The United Nations Convention for the International Sale of Goods dated April 11, 1980 shall not be applied.
- (c) The place of performance shall be the registered office of CEOTRONICS. Different arrangements can be made in specific circumstances.
- (d) The place of jurisdiction shall be the registered office of CEOTRONICS, unless the law stipulates otherwise.