

**GENERAL TERMS AND CONDITIONS
FOR QUOTATIONS, SUPPLIES AND OTHER SERVICES**

AS OF JANUARY 2016

1. General

- 1.1 All quotations, supplies and other services rendered by funktel GmbH (hereinafter referred to as "Supplies") are governed solely by the following terms and conditions, except where these terms and conditions have been amended, or expressly excluded, in writing. These terms and conditions shall not apply to maintenance services of hardware and software which shall be covered by separate agreements. Any contrary or deviating general terms and conditions of the customer shall have no binding effect on funktel GmbH, unless expressly consented to in writing by funktel GmbH.
- 1.2 There are no verbal collateral agreements. Any supplement, deviations or amendment to the present terms and conditions, orders or notices must be documented in writing to provide proof thereof.
- 1.3 The present terms and conditions shall apply only to contractual relationships with entrepreneurs within the meaning of section 14, paragraph 1 of the German Civil Code (*BGB*), with legal persons of public law and separate funds under public law.

2. Confidentiality - Information

- 2.1 funktel GmbH herewith reserves any industrial property rights and/or copyrights pertaining to its cost estimates, figures and images, drawings, calculations and other documents (hereinafter referred to as "Documents") and technical information. These Documents and technical information must not be disclosed to third parties without the express written consent of funktel GmbH and may be disclosed only to third parties who are rightfully involved in performing this contract. The confidentiality obligation ends at the time when the knowledge contained in the Documents made available and in the technical information enters the public domain.
- 2.2 In any event of a breach of the confidentiality obligations under item 2.1, the party in breach of the agreement shall pay the amount of EUR 10,000.00 to the exclusion of the plea of continuation of offence (*Fortsetzungszusammenhang*). funktel GmbH expressly reserves the right to claim higher damages.

3. Quotation – Confirmation of order

- 3.1 Particulars stated in catalogues, figures and images, brochures, cost estimates and quotations are always subject to confirmation, unless expressly identified as being binding in a specific case.
- 3.2 A valid order or orders based on funktel GmbH's quotation exist(s) only where a written order confirmation has been sent by funktel GmbH or when delivery was carried out at the latest.
- 3.3 The scope of Supplies shall be determined by the written order confirmation by funktel GmbH – which in case of individual development services or solutions may also refer to a specification of services - or in the event such confirmation does not exist by the order of the Customer.
- 3.4 When the Supplies are expected to meet special purposes of the customer, such special purposes and the requirements to be fulfilled have to be expressly and completely stated in the customer's order and must be confirmed in the order confirmation or the performance specification.

4. Time for delivery or performance

- 4.1 Dates and deadlines set for Supplies are binding only if they have been explicitly confirmed in writing by funktel GmbH.
- 4.2 Dates and deadlines set for Supplies can only be observed if all Documents and information, necessary permits and releases, especially of plans, to be supplied by the customer are received in time and if the agreed terms of payment and other obligations are fulfilled by the customer. Unless these conditions are fulfilled in time, dates set shall be extended and deadlines shall be postponed appropriately; this shall not apply in the event that funktel GmbH is responsible for the delay.
- 4.3 Deadlines bindingly set or binding dates for Supplies may be postponed by up to two weeks in the event that delivery from a supplier has not been received in good time by funktel GmbH. In such a case, funktel GmbH is obliged to immediately inform the customer about such an event in writing.
- 4.4 In the event of a subsequent change requested by the customer, any deadlines agreed upon for the supply shall begin to run anew from the date agreement on the requested alteration is made and agreed deadlines shall be postponed accordingly.
- 4.5 If funktel GmbH is in default and the customer furnishes proof for the loss suffered therefrom, the customer may claim compensation as liquidated damages amounting to 0.5 % for every completed week of delay, but in no case more than a total of 3 % of the price of that part of the Supplies which could not be used as specified in the contract because of the default. This shall not apply if funktel GmbH is not responsible for the delay.
- 4.6 Customer's claims for damages due to delayed Supplies as well as claims for damages in lieu of performance exceeding the limits specified in item 4.5 above shall be excluded in all cases of delayed Supplies even upon expiry of a deadline set to funktel GmbH to effect the Supplies. This shall not apply in cases of imperative liability based on intent, gross negligence, or due to injury of life, body or health. Cancellation of the contract by the customer based on statutory provisions shall be limited to cases where funktel GmbH is responsible for the supply delay. The above provisions do not imply a change in the burden of proof to the disadvantage of the customer.
- 4.7 If the non-observance of deadlines is due to force majeure such as equipment breakdowns, riots, official measures or any other circumstances beyond the control of funktel GmbH, the deadlines shall be extended accordingly.

5. Shipping – Passing of the risk - Insurance

- 5.1 Partial Supplies and corresponding partial invoices shall be allowed, unless this places the customer at an unreasonable disadvantage.
- 5.2 If the parties agree upon customary clauses such as fob, cif etc., the passing of the risk, the shipping, the freight and effecting a transport insurance shall be regulated exclusively pursuant to the regulations of the clauses in question, unless otherwise expressly agreed upon. The content and the interpretation of such clauses shall be governed solely by INCOTERMS 2010 edition issued by the International Chamber of Commerce.
- 5.3 Even where delivery has been agreed freight prepaid, the risk shall pass to the customer as follows, unless the parties have agreed upon customary delivery clauses:
 - a) If the Supplies do not include assembly or installation, the risk shall pass at the time when the Supplies are shipped or picked up by the carrier. At the customer's request, funktel

GmbH shall insure the Supplies against the usual transport risks at the expense of the customer;

- b) If the Supplies include assembly or installation, the risk shall pass on the day of taking over responsibility for operation or, if the parties have so agreed, after acceptance in the sense of item 7.2;
- c) Where collection by the customer has been agreed exceptionally, the risk shall pass to the customer when the goods are separated out from other goods and the customer is informed of the readiness for collection.

5.4 The risk shall pass to the customer if shipping, delivery, the start or performance of assembly or installation, the taking over of responsibility for operation or the acceptance is delayed for reasons for which the customer is responsible or if the customer has otherwise failed to accept the Supplies.

5.5 When funktel GmbH lends or hires out supplied goods to the customer or delivers goods on a trial basis, the customer shall bear all risks of loss and damage and the customer must take out an insurance policy covering burglary, fire, water and other risks for such goods and shall store the goods appropriately.

6. System installation – Setting-up and assembly

6.1 Where the parties have agreed on system installation or assembly, the customer shall be responsible for the possibility of system installation or assembly on his premises according to the conditions set by funktel GmbH. The customer shall provide all required permissions (e.g. Deutsche Telekom AG, public authorities and other third parties) at its own expense and shall procure the necessary auxiliary materials and consumables according to the specifications set by funktel GmbH.

6.2 The customer shall provide at its own expense the required energy and water, including connections, heating, lighting and the workplace necessary for installation or assembly.

6.3 The customer shall inform funktel GmbH about the kind of technical equipment employed when using the Supplies and which system conditions exist.

6.4 If assembly, installation or commissioning is delayed due to circumstances for which funktel GmbH is not responsible, the customer shall bear the reasonable costs incurred for idle times and any additional travelling of funktel GmbH's personnel.

6.5 Both funktel GmbH and the customer shall designate a responsible contact person.

7. Acceptance (*Abnahme*) and taking delivery

7.1 The customer shall not be entitled to refuse to take delivery of Supplies on account of minor defects.

7.2 If funktel GmbH demands formal acceptance of the Supplies after completion provided that assembly or installation has been carried out, the customer shall comply therewith within a period of two weeks. In default thereof, acceptance is deemed to have taken place. Acceptance shall also be deemed to have been effected when the Supplies are put to use - where applicable after completion of an agreed test period. Where no acceptance is demanded, the work carried out shall be deemed to have been accepted upon expiry of two weeks following the written notification of completion of the works.

8. Prices - Invoices - Terms of payment

8.1 Prices shall be ex works and exclude packaging, installation, freight, customs duties and insurance; value added tax shall be added at the rate in force.

8.2 If funktel GmbH is responsible for assembly or installation, the customer shall pay not only the agreed remuneration, but also any incidental expenses required such as travel costs, costs for transporting tools and equipment and personal luggage as well as allowances, unless otherwise agreed.

8.3 funktel GmbH reserves the right to reasonably adjust prices if higher or lower costs occur after conclusion of the agreement, especially when collective labour agreements have been concluded or when material prices have changed, up to 4 weeks before the date of delivery. Proof shall be provided at the customer's request.

8.4 The customer may set off only those claims that are undisputed or against which no legal recourse is possible.

8.5 Terms of payment

8.5.1 Unless otherwise agreed below, payments shall be made without deduction within 30 days after the date of invoice for the works carried out completely or in part according to item 5.1.

8.5.2 In the service and repair business, payments are due immediately after the service was rendered, without deductions.

8.5.3 In case of building work, in the plant engineering business and for services similar to building work amounting to more than EUR 10,000.00 in total, a downpayment of 30% shall become due 30 days after order placement, a second downpayment of 40% after delivery of the material to the site (the absence of minor parts shall have no detrimental effect) and the remaining balance of 30% shall become due for payment upon acceptance. Any deviating periods of payment shall be agreed in writing.

8.6 Checks and bills of exchange, if accepted by funktel GmbH, shall be deemed to constitute payment only after they have been cleared for payment. Any discount or bank charges must be paid by the customer.

8.7 In case of delayed payment of these amounts interest at a rate of 8 % above the base rate of the European Central Bank will be charged. Funkwerk Security Communication GmbH's right to claim higher damages shall not be excluded.

8.8 If funktel GmbH receives information about the customer's inability to pay or has reasonable doubts about the ability to pay (e.g. filing for insolvency proceedings, non-encashment of checks), at the option of funktel GmbH all amounts payable shall become due and payable immediately and/or funktel GmbH may terminate all agreements.

9. Retention of title

9.1 The goods supplied shall remain the property of funktel GmbH until each and every claim funktel GmbH has against the customer on account of the business relationship has been fulfilled. However, the customer may resell the goods subject to retention of title in the ordinary course of its business. For the duration of the retention of title, the customer may not pledge the goods subject to retention of title or use them as security.

9.2 Any processing or modification of the goods delivered by funktel GmbH is performed for funktel GmbH. The latter obtains the ownership or joint ownership of the new item in proportion to the value of the processed or modified goods subject to retention of title compared with the value of the remaining goods at the time of processing or modification. The customer will keep the new items safe at no cost for funktel GmbH.

9.3 The customer herewith assigns his claims against third parties resulting from the resale of the goods subject to retention of title to funktel GmbH which accepts the assignment of claims. In case the

customer resells the goods subject to retention of title together with other goods not owned by funktel GmbH, the claims arising from such sales will be assigned to funktel GmbH in the amount of the invoice for the goods subject to retention of title. The customer is authorized to collect this claim. funktel GmbH may restrict the customer's right of collection for legitimate reasons or may withdraw this right of collection for important reason, especially in case of delay in payment. funktel GmbH may demand that the customer notifies the assigned claims and their debtors, provides all necessary information to collect them, hands over all necessary Documents and informs the debtors of the assignment.

- 9.4 In case of pledging, confiscation or other disposal or intervention by third parties concerning the goods subject to retention of title, the customer shall declare the ownership of funktel GmbH and send written notification of such action without delay.
- 9.5 In the event of culpable breach of essential contractual obligations by the customer, especially in case of delay in payment, funktel GmbH is entitled to take back the goods delivered subject to retention of title. The customer is obliged to surrender the goods subject to retention of title and/or the assertion of the retention of title will not be regarded as cancellation of the contract, unless expressly declared by funktel GmbH. If the goods are returned funktel GmbH may exploit them at its own discretion in the best possible way after notification in writing (to the customer) and setting a reasonable period of time. The proceeds of the sales shall be offset against the claims of funktel GmbH after deduction of reasonable expenses relating to the exploitation.
- 9.6 funktel GmbH undertakes to release retained titles at its own choice at the request of the customer provided there is sufficient security. The selection of titles to be released shall be at the reasonably exercised discretion of funktel GmbH. The customer shall be entitled to claim release if (i) the secured value of the goods transferred by way of security (i.e. the realisable proceeds) is equal to, or beyond, 110% of the claims to be secured or (ii) the market price or wholesale price or cost price of the goods transferred by way of security is equal to, or above, 150% of the claims to be secured.

10. Rights of software use - Computer software ownership

- 10.1 The ownership and/or all other rights in the software shall remain with funktel GmbH. The customer is obliged to mark the software and especially to apply copyright notices in case of alterations or integration. The customer will not disassemble, reverse engineer or translate the software and not remove any parts of the software.
- 10.2 funktel GmbH grants the customer a single, non-exclusive, unilaterally unwithdrawable and untransferable right to use the software delivered together on the hardware delivered by funktel GmbH and the associated documentation for an unlimited period of time.
- 10.3 The software may only be used in connection with one specific terminal or device; any use outside of this scope shall be excluded, unless a right of multiple use of the software (e.g. use in networks) has been agreed upon.
- 10.4 The software may be transferred to a third party for utilization only in combination with the devices (hardware) delivered by funktel GmbH. The customer shall conclude a written agreement with the third party, requiring the third party to accept the obligations of the agreement with funktel GmbH.
- 10.5 The software may only be duplicated or altered with the written approval by funktel GmbH. The customer is allowed to make only a back-up of the software without an express written agreement.
- 10.6 The right of use shall cease in the event the customer loses the ownership or the rightful possession of the hardware.
- 10.7 Software maintenance has to be agreed separately in a software maintenance contract or a service contract. This shall include, pursuant to the specification of services, all measures which are regarded necessary by funktel GmbH for maintaining the operational security of the system, especially technical alterations and improvements (software updates).

11. Condition – Defects in quality - Warranty and liability

- 11.1 All parts or Supplies where a defect becomes apparent within the warranty period shall, at the discretion of funktel GmbH, be repaired, replaced or resupplied free of charge irrespective of the hours of operation elapsed, provided that the reason for the defect had already existed at the time when the risk passed. The warranty does not cover usual wear. This refers in particular to the power and capacity of batteries and other components subject to wear.
- 11.2 Even with careful software compilation according to the state of the art, it is not possible to exclude software defects under all conditions of application. No liability is accepted for software defects arising from non-reproducible software errors or in case of interventions by the customer or a third party.
- 11.3 Claims based on defects in quality are subject to a limitation period of 12 months commencing at the time of goods delivery or of acceptance in case of work and other performance, and no later than the time of the passing of the risk. This provision shall not apply in cases of injury to life, body or health or where funktel GmbH intentionally or with gross negligence fails to fulfil its obligations or fraudulently conceals a defect.
- 11.4 The customer shall notify defects in quality to funktel GmbH in writing without delay. In so far as the defect is obvious, the customer shall notify funktel GmbH at least 8 calendar days after receiving the delivery in writing. The same shall apply as soon as the customer becomes aware of a hidden defect.
- 11.5 funktel GmbH shall first be given the opportunity to render supplementary performance within a reasonable period of time (*Nacherfüllung*). If the supplementary performance is unsuccessful, the customer shall be entitled to cancel the contract or reduce the remuneration, irrespective of any claims for damages it may have.
- 11.6 In case of only insignificant defects and failed supplementary performance, the customer shall be entitled only to reduction of the purchase price (*Minderung*). Defects shall not be deemed significant until the cost of their removal is equal to at least 10% of the agreed counter-performance.
- 11.7 Furthermore there shall be no warranty for defects or damages arising from:
- faulty assembly, commissioning or faulty or negligent handling, excessive use by the customer or third parties,
 - unsuitable equipment or inappropriate installation environment,
 - non-observance of regulations and provisions by funktel GmbH for installation, assembly, commissioning, use or operation by the customer or by persons acting on the customer's authority.
- 11.8 In case of defects in quality funktel GmbH is obliged to bear all costs required for removal of defects, including costs of travel and transport, labour and material, but not to the extent that expenses are increased because the subject-matter of the Supplies was subsequently brought to a location other than the customer's branch office, unless doing so complies with the intended use of the Supplies.
- 11.9 During the time of repair or replacement, the recommencement of limitation periods will be suspended, beginning on the date funktel GmbH receives the defective goods.
- 11.10 Funkwerk Security Communication GmbH's expenses arising from unjustified complaints about quality or quantity of Supplies will be charged to the customer's account, e.g. for examining and testing the goods.
- 11.11 The customer's right of recourse against funktel GmbH pursuant to section 478 BGB (German Civil Code) is limited to cases where the customer has not concluded an agreement with its customer exceeding the scope of the statutory provisions governing claims based on defects. Moreover items 11.6 and 11.7 above shall apply *mutatis mutandis* to the scope of the right of recourse of the order-

<p>ing party against the supplier pursuant to section 478 para. 2 of BGB.</p>	<p>contract shall be adapted, taking into account the principles of reasonableness and good faith. Where doing so is economically unreasonable, funktel GmbH shall have the right to terminate the contract.</p>
<p>11.12 funktel GmbH makes every effort to ensure an uninterrupted availability of the download area for firmware on its homepage. However, no liability will be accepted for the constant availability of the online connection and for any damage resulting from a temporary non-availability.</p>	<p>14. Other claims for damages</p>
<p>12. Industrial property rights and copyrights - Defects of title</p>	<p>14.1 Any claims for damages and reimbursement of expenses the customer may have, based on whatever legal reason, including infringement of duties arising in connection with the obligation or tort, shall be excluded.</p>
<p>12.1 Unless otherwise agreed, funktel GmbH is obliged to provide the Supplies free from third parties' industrial property rights and copyrights (hereinafter referred to as "IPR") with respect only to the country of the place of destination. If a third party asserts a justified claim against the customer based on an infringement of IPR with respect to Supplies made by the supplier and then used in conformity with the contract, the supplier shall be liable towards the customer within the warranty period stipulated in item 11.3 as follows:</p> <p>a) funktel GmbH shall choose whether to acquire, at its own expense, the right to use the IPR with respect to the Supplies concerned or whether to modify the Supplies such that they no longer infringe the IPR or replace them. If this request represents an unreasonable burden on funktel GmbH, the customer may cancel the contract or reduce the remuneration pursuant to the applicable statutory provision.</p> <p>b) The liability of funktel GmbH to pay damages shall be governed by item 14.</p> <p>c) The above obligations of funktel GmbH shall only apply if the customer immediately notifies funktel GmbH in writing of any such claim asserted by the third party, does not accept an infringement and leaves any protective measures and settlement negotiations to the discretion of funktel GmbH. If the customer stops using the Supplies in order to reduce the damage or for other good reasons, the customer shall be obliged to point out to the third party that no recognition of the alleged infringement may be inferred from the fact that use has been discontinued.</p> <p>12.2 Claims of the customer shall be excluded, if it is itself responsible for the infringement of an IPR.</p> <p>12.3 Claims of the customer shall also be excluded if the infringement of the IPR is caused by specifications made by the customer, by a type of use not foreseeable by funktel GmbH or by the Supplies being modified by the customer or being used together with products not provided by funktel GmbH.</p> <p>12.4 In addition, with respect to claims by the customer pursuant to item 12.1 a) above, items 11.5 and 11.11 shall apply mutatis mutandis in the event of an infringement of an IPR.</p> <p>12.5 Where other defects in title occur, item 11 shall apply mutatis mutandis.</p> <p>12.6 Any other claims of the customer against funktel GmbH or any such claims exceeding the claims provided for in this item 12, based on a defect of title, shall be excluded.</p>	<p>14.2 The above shall not apply in the case of imperative liability, e.g. under the German Product Liability Act ("Produkthaftungsgesetz"), in cases of intent, gross negligence, injury to life, body or health, or in case of breach of essential contractual obligations ("wesentliche Vertragspflichten"). However, claims for damages arising from a breach of essential contractual obligations shall be limited to the foreseeable damage intrinsic to the contract, unless caused by intent or gross negligence or based on liability for injury to life, body or health. The above provisions do not imply a change in the burden of proof to the disadvantage of the customer.</p> <p>14.3 To the extent that the customer has valid claims for damages according to this item 14, these shall be statute-barred upon expiration of the limitation period applicable to claims based on defects in quality as stipulated in item 11.3. The statutory provisions governing limitation periods shall apply in the case of claims for damages under the German Product Liability Act.</p> <p>15. Venue and applicable law</p> <p>15.1 If the customer is a businessman, the exclusive venue for all disputes arising directly or indirectly from the contractual relation shall be the place of business of funktel GmbH. However, funktel GmbH may also bring a legal action against the customer at its place of business.</p> <p>15.2 Legal relations existing in connection with this contract shall be governed by German substantive law, excluding its conflict of laws provisions and The United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 (CISG).</p>
<p>13. Impossibility of performance / Adaptation of contract</p>	<p>16. Miscellaneous</p>
<p>13.1 In the event that it is impossible to provide the Supplies, the customer shall be entitled to claim damages, unless funktel GmbH is not responsible for the impossibility arising. The customer's claim for damages shall, however, be limited to an amount of 10 % of the value of that part of the Supplies which, owing to the impossibility, cannot be put to the intended use. This limitation shall not apply in case of imperative liability based on intent, gross negligence or injury to life, body or health; this shall not imply a change in the burden of proof to the detriment of the customer. The customer's right to terminate the contract shall remain unaffected.</p> <p>13.2 Where unforeseeable events within the meaning of item 4.7 substantially change the economic importance or the contents of the Supplies or considerably affect the business of funktel GmbH, the</p>	<p>16.1 The legal invalidity of one or more provisions of these terms and conditions shall in no way affect the validity of the remaining provisions. This shall not apply if continuing the contract was an unreasonable hardship for one of the parties.</p> <p>16.2 The customer must neither partially nor wholly transfer rights and obligations arising from the contractual relationships with funktel GmbH to any third party without the prior written consent of funktel GmbH.</p> <p>16.3 Declarations may also be made in text form (<i>Textform</i>) to the extent that written form is required in this contract.</p> <p>Note: The customer acknowledges that, in connection with the contractual relationship, Funktel GmbH retains data according to article 28 of the German Data Protection Act (Bundesdatenschutzgesetz or BDSG) for the purpose of data processing and that it reserves the right to transmit this data to third parties (e.g. insurances) if this is necessary for executing the agreement.</p>