

§ 1 General — scope

- (1) Our sales terms shall apply exclusively. We cannot acknowledge any opposing terms or terms of the buyer, which deviate from our own sales terms, unless we have expressly agreed to such other terms in writing. Our sales terms shall apply even if we make our delivery to the buyer unreservedly despite knowing of such opposing terms or terms of the buyer, which deviate from our own sales terms.
- (2) All agreements regarding the execution of this contract, which are made between us and the buyer, are included in this contract in writing.
- (3) Our sales terms shall only apply to companies in the meaning of § 310 section 1 German Civil Code (BGB).

§ 2 Proposal — proposal documents — content of the contract

- (1) Our precontractual notifications, especially all proposals, descriptions and estimates, are non-binding except for an expressive agreement.
- (2) If the order can be qualified as a proposal according to § 145 BGB, we can accept the order within a period of two weeks.
- (3) We reserve property rights and copyrights of all images, drawings, calculations and other documents. This shall also apply to such written documents that are described as “confidential”. Prior to passing-on the above documents to third parties, the buyer must have our express approval in writing.
- (4) We reserve the right to implement technical alterations in the course of the execution of the order, if such alterations result from the progress of technical developments or will provide benefits or improvements to the system’s performance in each individual case.

§ 3 Prices — payment conditions

- (1) If the order confirmation does not state otherwise, our prices shall be “ex factory” and excluding packaging. Packaging shall be invoiced separately. We reserve the right to alter our prices accordingly, if cost reductions or increases occur after the conclusion of the contract, in particular due to labor agreements or changes in material prices. The buyer shall be entitled to see the respective proof on request.
- (2) Our prices are exclusive of sales tax at the legal rate. The sales tax shall be stated separately on the invoice to the legal rate that is valid on the invoice date.
- (3) Any cash discounts require a special written agreement.
- (4) If our order confirmation does not state otherwise, the net purchase price (without deductions) shall be due within 30 days from the invoice date. The legal provisions with regard to the consequences of late payment shall apply.
- (5) The buyer shall only be entitled to claim offsetting rights if his counterclaims have been lawfully acknowledged or are beyond dispute or have been acknowledged by us. The buyer shall also be entitled to exercise a right of retention as far as his counterclaim is based on the same contractual relationship.

§ 4 Delivery time

- (1) The delivery dates stated by us are in principle non-binding. The commencement of all delivery dates agreed on a binding basis in a specific case requires all technical issues to have been clarified in advance.
- (2) Furthermore, the fulfillment of our delivery obligation shall be subject to the buyer having fulfilled all of his obligations properly and in due time. We reserve the right to put forward a defense against the unfulfilled contract.
- (3) Our delivery shall also be subject to the correct and timely receipt of our own deliveries. We shall notify the buyer of the non-availability of the delivery item immediately and, in the event of his withdrawal from the purchase, shall reimburse the respective amount to the buyer immediately.
- (4) If the buyer does not accept the delivery in due time or if he culpably violates any other of his obligations to cooperate, we shall be entitled to request compensation for any damage that we might have incurred including possibly extra expenses. We reserve the right to make further claims.

- (5) If the requirements of section 3 apply, the risk of an accidental destruction or deterioration of the purchased item shall be transferred to the buyer at the point when he has defaulted with regard to the acceptance or as a debtor.
- (6) We shall be liable according to all applicable laws and regulations if the underlying purchase contract is a short selling in the meaning of § 286 section 2 no. 4 BGB or § 376 HGB. We shall also be liable according to all applicable laws and regulations if the buyer, as a result of a late delivery, for which we are responsible, is entitled to claim that his interest in the continued fulfillment of the contract has ceased.
- (7) We shall also be liable according to all applicable laws and regulations if the late delivery is due to an intentional or grossly negligent violation of the contract, for which we are responsible. Any culpability of our agents or representatives shall be attributed to us. If the late delivery is not due to an intentional violation of the contract, for which we are responsible, our liability for damages shall be limited to the predictable damage, which typically occurs in such events.
- (8) We shall also be liable according to all applicable laws and regulations if the late delivery, for which we are responsible, is due to the culpable violation of a material contractual obligation. However, in this case our liability for damages shall be limited to the predictable damage, which typically occurs in such events.
- (9) Apart from the above, in the event of a late delivery, we shall be liable for damages for each week of delay subject to a flat-rate delay compensation to the amount of 3% of the delivery value, but not more than 15% of the delivery value.
- (10) Further claims and entitlements of the buyer according to law shall be reserved.
- (11) We shall be entitled to render partial performances. In such cases we shall be entitled to request partial payments.

§ 5 Place of fulfillment — transfer of risk — packaging costs

- (1) Our delivery shall be “ex factory”, unless the order confirmation states otherwise.
- (2) Neither the transport packaging nor any other packaging materials are returnable (subject to the German Packaging Ordinance). The buyer shall be obliged to arrange the disposal of the packaging at his own expense.
- (3) We shall arrange for the cover of the delivery by transport insurance on the buyer’s request. The buyer shall bear the costs of such insurance.

§ 6 Liability for defects — statute of limitation

- (1) Any claims for defects by the buyer are subject to the buyer having properly fulfilled his obligations with regard to goods receipt inspection and complaints according to § 377 German Commercial Code (HGB).
- (2) If the purchased item shows a defect, we shall be entitled to a supplementary performance in the form of the correction of the defect or the delivery of a new fault-free item at our own discretion. In the case of a correction of the defect we shall be obliged to bear all expenses with regard to this correction of the defect, especially all transport, travel, labor and material costs, unless these have increased due to the fact that the purchased item has been transported to a location that is different from the place of fulfillment.
- (3) If the supplementary performance fails, the buyer shall be entitled to withdraw from the contract or to request a price reduction at his own discretion.
- (4) We shall be liable according to all applicable laws and regulations if the buyer claims compensation for damages, which are due to our intentional or grossly negligent behavior, including any intentional or grossly negligent behavior by our agents or representatives. Our liability for damages shall be limited to the predictable damage, which typically occurs in such events, unless it is claimed that we have intentionally violated the contract.

- (5) We shall be liable according to all applicable laws and regulations if we have culpably violated a material contractual obligation. However, in this case our liability for damages shall be limited to the predictable damage, which typically occurs in such events.
 - (6) If the buyer is entitled to compensation instead of receiving the performance, our liability shall also be limited to the predictable damage that typically occurs in such events, subject to section 3.
 - (7) The liability for culpable death, injury or damage to the health of a person shall remain unaffected, and this shall also apply for mandatory liability according to the German Product Liability Law.
 - (8) §§ 478 and 479 BGB (delivery recourse for the purchase of consumer goods) shall remain unaffected. In this case the buyer shall notify us of any defect-related complaint from his clients within five days; otherwise the goods shall be regarded as approved. The buyer shall wait for an appropriate period of time until we have decided on our course of action with regard to the supplementary performance. Only after we have made our decision, the dealer may start any repair work, promise a new delivery, or claim that the alternative of the supplementary performance, which was chosen by his buyer, is unacceptable. The dealer shall return the faulty product to us on our request.
 - (9) Any liability shall be excluded unless agreed otherwise in the above. This applies in particular also to damage that has occurred as a result of criminal actions (e.g. robbery, theft, burglary) against people, the property or assets of the buyer or a third party, including compensation claims for consequential damage, for example for the non-functioning of the system, burglary, costs charged by the police, fire department or security companies in the event of a hazard notification.
 - (10) The statute of limitation for claims for defects shall be one year. However, this does not apply in cases of § 438 section 1 no. 1 BGB (defects of title for immovable objects), § 438, section 1 no. 2 BGB (buildings, items for buildings). The periods that are mentioned in sentence 2 above are subject to a statute of limitation of three years. § 479 BGB shall remain unaffected.
 - (11) The statutes of limitation according to section 10 shall apply also to all compensation claims against us in connection with the defect, irrespective of the legal basis of the claim.
 - (12) The statutes of limitation according to sections 10 and 11 shall apply subject to the following provisions:
 - (13) a) In general, the statutes of limitation shall not apply to intentional actions.
 - (14) b) The statutes of limitation shall not apply either if we have fraudulently concealed the defect.
 - (15) c) The statutes of limitation shall also not apply to compensation claims in cases of death, injury, or damage to the health or freedom of people, for claims subject to the German Product Liability Act, for the grossly negligent violation of obligations or the violation of material contractual obligations. In these cases the legal statutes of limitation shall apply.
 - (16) To ensure that TELENOT products function properly, it is essential that advice, planning, as well as mounting, commissioning and maintenance works are provided/performed by a trained installation company. We accept no liability for functional impairments and faults that result from the failure to adhere to these requirements.
- § 7 Joint liability**
- (1) Any further liability for damages going beyond the liability scope according to § 6 shall be excluded irrespective of the legal nature of the filed claim. This shall apply in particular to compensation claims from the culpability at the time of the conclusion of the contract or due to other violations of obligations or due to tort claims for the compensation of damage to property according to § 823 BGB.
- (2) If the liability for compensation towards us is excluded or limited, this shall also apply with regard to the personal liability for damages of our executives, employees, representatives and agents.
- § 8 Securing the reservation of ownership**
- (1) We reserve our property of the purchased item until all payments from the delivery contract have been received. If the buyer acts against the contractual provisions, especially in the event of late payment, we shall be entitled to reclaim the purchased item.
 - (1) Our reclaiming of the purchased item shall not constitute any withdrawal from the contract, unless we have expressly stated this in writing. However, the attachment of the purchased item by us shall always constitute a withdrawal from the contract. After we have reclaimed the purchased item we shall be entitled to dispose of it. The disposal proceeds shall be offset with the buyer's liabilities – minus the appropriate disposal costs.
 - (2) The buyer shall be obliged to treat the purchased item carefully, and he shall be particularly obliged to insure the item sufficiently (for its new value) against fire, flood and theft at his own expense. If repair and inspection work is required, the buyer must have such work carried out in due time at his own expense.
 - (3) In the event of attachments or other intervention by third parties, the buyer shall notify us immediately in writing so that we can file a lawsuit according to § 771 German Code of Civil Procedure (ZPO). If the third party is unable to reimburse us for the court fees and other legal costs of a lawsuit according to § 771 ZPO, the buyer shall be liable for the loss that we have incurred.
 - (4) The buyer shall be entitled to resell the purchased item subject to proper business proceedings. However, he shall assign to us already now all claims to the amount of the final invoice amount (incl. sales tax) of our claim, which he accrues from reselling the item to his customers or third parties, independent from the fact whether the purchased item has been resold with or without having been processed by the buyer. The buyer shall remain entitled to collect this claim even after he has assigned his claim. Our entitlement to collect the claim ourselves shall remain unaffected by the above.
 - (5) However we shall be obliged not to collect the claim as long as the buyer fulfills his payment obligations from the received proceedings, pays his invoices on time and, importantly, has not filed any application for bankruptcy, settlement or insolvency proceedings or has stopped his payments. If the latter is the case we shall be entitled to request that the buyer indicates to us the assigned claims and respective debtors as well as all details that are necessary for the collection, provides us with all respective documents and notifies his debtors (third parties) of the assignment.
 - (6) The processing or modification of the purchased item shall always be carried out by the buyer on our behalf. If the purchased item is processed with other objects that are not our property, we shall acquire joint ownership in the new item in the ratio of the purchased item's value (final invoice amount incl. sales tax) to the other processed items at the time of processing. For the item created by means of processing, the same provisions shall apply as for the purchased item delivered subject to our reservations.
 - (7) If the purchased item is inseparably mixed with other objects that are not our property, we shall acquire joint ownership in the new item in the ratio of the purchased item's value (final invoice amount incl. sales tax) to the other mixed items at the time of mixing. If mixing is done in a manner that the buyer's item can be regarded as the main item, it shall be agreed that the buyer assigns joint ownership to us according to the proper ratio. The buyer shall store the sole property or joint property that has been created in this manner on our behalf.

- (8) The buyer shall assign to us the claims for securing our claims against him, which result from the connection of the purchased item with a property against a third party.
- (9) We agree to release the securities, to which we are entitled, on the buyer's request in so far as the realized value of our securities exceeds the claims that are to be secured by more than 10 %. We shall be entitled to choose the securities that are to be released at our own discretion.

§ 9 Place of jurisdiction — place of fulfillment

- (1) If the buyer is a merchant, our registered address shall be the place of jurisdiction. However, we shall also be entitled to file a lawsuit against the buyer at his registered address.
- (2) The laws of the Federal Republic of Germany shall apply. CISG law shall be excluded.
- (3) Our registered address shall be the place of fulfillment, unless the order confirmation states otherwise.
- (4) In addition the following "supplementary notes regarding the sales conditions" shall apply.

Supplementary notes regarding the sales conditions

1 Minimum order quantity

For orders up to a goods value of €40.00 net, a small-amount surcharge of €12.00 shall be charged.

2 Returns

We are not obliged to take back the ordered goods.

If a return of our delivered products is agreed, the following provisions shall apply:

Potential return of products generally requires them to be unused and in original packaging, and for them to have been delivered by TELENOT no longer than 3 months in the past. Return shipments shall be permissible only after the client has notified us prior to the shipment and we have approved the return. The return shipment shall take place always without freight charges. In such cases we shall issue a returns number (RLN). This RLN must be stated on the delivery documents that are included with the return.

Return shipments without an RLN as well as return shipments not consistent with the return requirements shall be rejected by us at the cost of the consignor. All returns must include copies of the respective delivery notes that were previously issued by us. We reserve the right to offset a flat fee for costs.

3 Use of assembly groups subject to EMC guidelines

For the use of individual boards, such as transmission devices (TDs), extension, and replacement assembly groups for intruder alarm control panels (IACPs) as well as built-in power supplies, it must be noted that these assembly groups are designed for installation in the housings that have been specified by TELENOT and according to the TELENOT mounting plans and wiring diagrams. The factory CE markings of the assembly groups shall be valid only for these applications.

If the assembly groups are used in another manner than the manner that was specified by TELENOT, the installer/manufacturer of this system shall be solely responsible for complying with the guidelines for the CE marking or the VDE regulations (German Association for Electrical, Electronic & Information Technologies) and shall prepare his own declaration of conformity with regard to the compliance with the relevant guidelines.

The connection of assembly groups to the 230-volt outlet power must be carried out only by a qualified electrician according to VDE regulations.

4 Wireless technology

Building work, local changes or external influences can all result in the change of the propagation conditions for radio waves. This could mean that the correct functioning of the wireless components is no longer guaranteed or that wireless components can no longer be operated at all.

More specifically this means that modifications to the system will become necessary and the affected wireless components will have to be replaced by wired components. TELENOT shall not be responsible for these circumstances and shall not bear the consequential cost. These circumstances shall not amount to any entitlement to return the used products.

5 Complaints regarding batteries and rechargeable batteries

Complaints regarding allegedly faulty batteries and rechargeable batteries can only be processed if the faulty battery is returned together with the relevant details regarding its operational time, location and type of use as well as the identified fault.

6 State-of-the-art technology / software

Software-controlled devices are subject to constant development and expanded performance features. Due to these changes, it cannot be excluded that delivered configuration devices or the associated parameterization software are no longer fully compatible with current devices. Equally, in rare cases, older devices can no longer be retrofitted with more recently developed additional boards. Therefore, older devices may not always be upgradeable.

The current software versions and associated incompatibilities are published in the respective technical description as well as in notes regarding the devices and on our website.

All current software versions always correspond to state-of-the-art technology at the time of their release.

7 Processing of warranty cases

In order to verify the warranty entitlement of a piece of equipment, a copy of the delivery note must be returned with the equipment or component/assembly. The control or serial number labels of the components as well as factory designations must not be removed or rendered illegible.

8 Processing of repair orders

a) We regard the return of faulty devices as a repair order issued by the client, unless other notes (e.g. complaint or request for an estimate) are indicated on the delivery documents.

b) The costs incurred for testing and/or repairing the device are subject to our current price list. In addition to the costs incurred for testing and/or repairing the device, the costs for material, packaging, and shipping are charged.

Estimates can be prepared on request but will be charged for. In the event of a subsequent order, these costs shall be offset against the purchase price.

c) Included in each repair order is checking the device with regard to the current status of its software version (if applicable). The software shall be updated (for a fee) if this is technically reasonable and possible, unless the client has expressly stated that he does not want such a software update in the course of the repair work. TELENOT must be notified if a device contains customer-specific software and if this software must not be updated in the course of the repair work.

d) For the proper disposal of disused or irreparable equipment, the respective cost flat rates shall apply.

Equipment, which is subject to the German Electrical Appliances Law, as well as batteries and rechargeable batteries can be returned to TELENOT free of charge and shall be disposed of properly by TELENOT if they have been manufactured by us or purchased from us and are returned to us at the sender's expense.

9 Notice pursuant to § 36 German Consumer Dispute Resolution Act

We are neither willing nor obliged to participate in proceedings relating to consumer dispute resolution before a consumer mediation body.

