

Profit and Loss Transfer Agreement

between

**euromicron Aktiengesellschaft
communication & control technology
Frankfurt/Main**

- hereinafter referred to as the “**controlling company**” -

and

**telent GmbH
- ein Unternehmen der euromicron Gruppe
Backnang**

- hereinafter referred to as the “**controlled company**” -

Preamble

- (1) The controlled company with registered offices in Backnang is entered in the commercial register of Stuttgart Local Court under HRB 738199.
- (2) The sole shareholder of the controlled company is the controlling company, which has its registered offices in Frankfurt/Main and is entered in the commercial register of Frankfurt/Main Local Court under HRB 45562.
- (3) With regard to the financial integration of the controlled company into the controlling company's enterprise in order to create an integrated inter-company relationship within the meaning of Sections 14 and 17 KStG (German Corporation Tax Act) and Section 2 (2) Sentence 2 GewStG (German Trade Tax Act), the Parties intend to conclude the following controlling and profit and loss transfer agreement.

Section 1
Dispensability of a compensatory payment and cash compensation

A reasonable compensatory payment in accordance with Section 304 (German Stock Corporation Law) and reasonable cash compensation in accordance with Section 305 (German Stock Corporation Law) shall not be granted, since the controlling company is the sole shareholder of the controlled company (cf. Section 304 (1) Sentence 3 and 305 (1) AktG (German Stock Corporation Law)).

Section 2
Transfer of profits

- (1) The controlled company undertakes to transfer its entire profit determined in accordance with the provisions of the German Commercial Code (HGB) to the controlling company. The following is to be transferred, subject to the setup and reversal of other revenue reserves in accordance with Section 2 (2): The net income for the year generated without the profit transfer, minus any loss carried forward from the previous year and transfers to the other revenue reserves in accordance with Section 2 (2) and plus any amounts withdrawn from the other revenue reserves in accordance with Section 2 (2).
- (2) The controlled company can, with the consent of the controlling company, transfer amounts from its net income for the year to the other revenue reserves (Section 272 (3) HGB (German Commercial Code)) if this is permitted under the German Commercial Code and is economically justified in accordance with prudent business practice. If other revenue reserves in accordance with Section 272 (3) HGB (German Commercial Code) are set up during the term of this agreement, the controlling company can demand that these reserves are withdrawn and transferred as profit or used to compensate for a net loss for the year or a loss carryforward.
- (3) The obligation of the controlled company to transfer its entire profit shall also include the profit from the sale of all its assets, if and insofar as such transfer is legally permissible. This shall not apply to profits accruing after dissolution of the controlled company.
- (4) Amounts from the reversal of revenue reserves and profits carried forward which were set up or accrued before the term of this agreement commences and capital reserves set up before or during the term of this agreement in accordance with Section 272 (2) HGB (German Commercial Code) shall not be paid over. The distribution of amounts from the reversal of such other revenue reserves that existed prior to the agreement and such capital reserves set up before or during the term of this agreement in accordance with Section 272 (2) HGB 2 HGB (German Commercial Code) outside this controlling and profit and loss transfer agreement shall be permitted.

- (5) The provisions of Section 301 AktG (German Stock Corporation Law) (in its applicable version) shall always be observed analogously.

Section 3 Assumption of losses

The controlling company undertakes toward the controlled company to assume the latter's losses in accordance with the provisions of Section 302 AktG (German Stock Corporation Law) (in its entirety and in all its elements) in its applicable version (or provisions replacing it).

Section 4 Due date, payment of interest

- (1) The obligation to transfer profits or offset losses shall arise on the balance sheet date of the controlled company and shall be due at that time. At the request of the controlling company, the controlled company shall be obliged to transfer the estimated profit in full or in part before the balance sheet date, provided there are sufficient indications for a positive earnings forecast.
- (2) Interest of 5 percent as of the balance sheet date (due date) shall be payable on the entitlement to offsetting of a loss.

Section 5 Effectiveness

This agreement shall be concluded subject to the approval of the General Meeting of the controlling company and the shareholders' meeting of the controlled company. The agreement shall become effective upon its entry in the commercial register of the controlled company and shall apply retroactively as of the beginning of the fiscal year of the controlled company in which it is entered in the commercial register of the controlled company. However, the agreement shall not become effective before midnight on December 31, 2013.

Section 6 Term and termination of the agreement

- (1) The agreement shall be concluded for an indefinite period of time. It can be terminated by either party with a period of notice of six months to the end of each fiscal year of the controlled company. It can be terminated for the first time at the earliest to the end of

the fourth fiscal year of the controlled company following the fiscal year as of which the agreement takes effect and insofar as at least 5 years in time (60 months) have elapsed from when this agreement took effect. Notice of termination shall be issued by registered post. The date on which the notice of termination is received by the other company shall be authoritative in defining whether the deadline has been complied with.

- (2) This agreement can be terminated prematurely without a period of notice only for an important reason. Section 297 (1) AktG (German Stock Corporation Law) shall remain unaffected. An important reason shall be in particular the cases specified in Directive 60 (6) of the German Corporation Tax Directives (2004), relocation of the registered offices of the controlling company to abroad, a change in form of the controlled company, relocation of the registered offices of the controlled company to abroad, and transfer of shares in the controlled company resulting in a cessation of the financial integration in accordance with Section 14 (1) Sentence 1 No. 1 KStG (German Corporation Tax Act).
- (3) If the requirements for tax recognition of the integrated inter-company relationship under German corporation tax law and trade tax law or its proper execution are, contrary to all expectations, not met during the five-year period as defined in Section 6 (1) Sentence 3, the five-year period shall not commence, contrary to Section 6 (1) Sentence 3, until the first day of the fiscal year following the year in which the requirements for recognizing the integrated inter-company relationship under tax law or for its execution were not met.

Section 7

Final provisions

- (1) If individual provisions of this agreement are or become void or invalid, this shall not affect the remaining provisions of the agreement. In this case, a provision which corresponds as closely as possible to the intended purpose of the void or invalid provision in legal and economic terms shall be agreed. The same shall apply to any additional interpretation of the agreement if it contains a gap. If a provision is unfeasible or invalid due to the scope of performance or in relation to a date or time, a legally permissible arrangement which corresponds as closely as possible to the invalid or unfeasible scope of performance or date/time shall be deemed as having been agreed.
- (2) Any amendments to or modifications of this agreement shall only be valid when given in writing, unless another form is prescribed. This shall also apply to this Section 7 (2).

Frankfurt/Main, March 31, 2014

For euromicron Aktiengesellschaft communication & control technology

by

Dr. Willibald Späth

by

Thomas Hoffmann

For telent GmbH - ein Unternehmen der euromicron Gruppe

by

Hans-Peter Fischer

by

Robert Blum