

Terms and Conditions of Sale and Delivery

General: We supply EX WORKS in accordance with established "General Conditions for the Supply of Products and Services of the Electrical and Electronics Industry ("GL")", June 2005 version. These General Conditions for the Supply of Products and Services of the Electrical and Electronics Industry apply together with the following Terms and Conditions of Sales and Delivery with the proviso that in case of contradictory contents between the General Conditions for the Supply of Products and Services of the Electrical and Electronics Industry and the Terms and Conditions of Sale and Delivery, the latter shall apply. These General Conditions for the Supply of Products and Services of the Electrical and Electronics Industry and Terms and Conditions of Sales and Delivery on acceptance of the order shall replace any purchasing terms and conditions the Buyer may have, even when such terms and conditions should specify that upon accepting an order such terms and conditions shall be deemed to have been accepted. By accepting our order confirmation without making any objections, the Buyer accepts that he is waiving a legal objection derived from his terms and conditions of business. We accept this waiver. Our terms and conditions shall govern all our future business relationships as well even if they should not be expressly agreed upon once more explicitly. Our terms and conditions shall be deemed as having been accepted yet again upon the Buyer accepting the goods or services at the latest. Confirmations by the buyer with reference to his terms and conditions of purchase are rejected herewith. Deviations from our terms and conditions shall only be effective should they have been agreed upon by us in writing.

- 1. Quotations:** Our quotations are subject to change without notice and they are not binding. Statements of acceptance and orders require our written confirmation to be legally binding. The same shall be applicable to amendments, modifications and supplementary agreements. Drawings, illustrations, specifications as to dimensions and other data of performance shall be binding only should they have been agreed upon in writing.
- 2. Prices:** The prices quoted by us are to be understood EX WORKS plus the current legal Added Value Tax, [VAT, (Mehrwertsteuer/MWSt.)]. Packaging, freightage, costs of insurance and customs duty are not included. Should, between entering into the agreement and the date of delivery, a significant change take place in regard to prices for materials, wages, salaries, freight rates, public dues or other cost-effective elements, we reserve the right to implement a reasonable price increase.
- 3. Delivery:** The deadlines and dates mentioned by us are approximations only and are not binding unless an agreement is expressly made to the contrary in writing. We shall not be held liable for delays in delivering goods and rendering services caused by force majeure and owing to occurrences for which we are not responsible and occurrences making it impossible to supply, or which render it significantly more difficult to do so, even if deadlines and dates have been expressly agreed on a binding basis. Such circumstances shall include in particular, even if they occur subsequently, difficulties in obtaining materials, operational disruptions in the plant, strike, lockout, shortage of staff, lack of transportation, official impositions, even if they should occur at our suppliers' or their sub-contractors' premises. We shall then be entitled to delay goods and services or to withdraw from all or part of the contract. In this case the Buyer shall be notified immediately. Any counter performance which may have been already rendered to us at the time of our withdrawal from the contract shall be reimbursed without delay. If we are to blame for non-compliance with dates and deadlines which we have promised on a binding basis, the Buyer shall be entitled to compensation amounting to 0.5% for each full week of the delay. However this sum must not exceed 5% of the invoice value of the goods and services affected by the delay. Any other claims over and above these, in particular claims by the Buyer for compensation on account of delay in delivery and also claims for damages as compensation instead of performance which exceed the above-named limits shall be excluded in all cases of delayed delivery. This shall not apply that liability is compulsory in case of intent or of gross negligence, or loss of life or physical injury to health. We shall be entitled to render partial deliveries and services at any time. For technical production reasons we shall reserve the right to deliver quantities up to 10% more or 10% less than the agreed order quantities. The Buyer cannot demand that we adhere to a precise number of units to be delivered.
- 4. Packaging:** Packaging shall be billed at the cost price and it shall not be returned unless there is a legal requirement to the contrary. Particularly coded solid packaging containers shall be credited at a reasonable amount if they are returned freight paid.
- 5. Payment:** Our invoices shall be payable in cash within one week after their receipt with 2 per cent cash discount or net, without deduction, by the 30th day after the date of invoice. As of the 31st day after the date of invoice, the Buyer shall owe interest on arrears in the amount of the interest charged by commercial banks for open current account credits; however, at least in the amount of 8 per cent on top of the current relevant base interest rate, plus the currently valid legal turnover tax. Irrespective of a different stipulation of the Buyer, we shall be entitled to first balance payments with his older or not as well secured debt. Should costs and interests have accrued already, we shall then be entitled to balance the payment first with the costs, then with the interest, and last with the principal amount. Payment shall be deemed to have been effected only when we may dispose of the sum of money; that is in the instance of submitting a cheque only when the cheque has been honoured. Bills of exchange shall not be deemed to be payment. They will be taken only as conditional payment. Orders from Buyers unknown to us shall be executed only upon advance payment or collect upon delivery. Should the Buyer not meet his obligations of payment, should he not honour a cheque in particular, should he cease his payments, should a bill of exchange be protested, should we learn about compulsory enforcement measures or other circumstances which will render the liquidity of the Buyer doubtful, any invoice amounts shall fall due immediately, and the terms of payment agreed upon shall then be annulled. In that instance we shall be entitled to ask for advance payments or securities. The Buyer may withhold a payment only if a defect is recognized or obvious; however, at any rate only in the amount of the tentative cost to correct the defects relative to the specific defective object. Accepting a reminder calling for payment is deemed to be an acknowledgement as to the balance revealed therein should it not be rejected in writing within one week.
- 6. Retention of Title:** Until all claims which we have against the Buyer on any legal grounds have been settled, we shall be granted the following securities which we shall surrender only upon the request of the Buyer at his choice and to the extent that their value shall over a sustained period of time exceed by more than 20 per cent existing and ascertainable future claims. The goods supplied shall remain our property; processing and remodeling shall always and only be carried out for us as the manufacturers; however, without any obligation on our part. Should our proprietary rights cease by virtue of amalgamation, it shall be agreed upon already now that the property of the Buyer in the unitary object shall be assigned to us pro rata of the invoice value. The Buyer shall store our property free of charge. Goods in which we have full or a share of proprietary rights shall be goods under Retention of Title. The Buyer shall be entitled to process and to sell such merchandise being under Retention of Title in the scope of the proper conduct of his business as long as he shall not be in arrears towards us. Seizure or assignment as security shall be impermissible. The Buyer shall now assign as security to full extent all claims arising from the resale of or from any other legal grounds in connection with the goods under Retention of Title. He shall authorize us to collect the claims assigned to us in the name of ourselves for our own account. Upon our request, he shall disclose the assignment and provide us with the required information and documentation. Should third parties gain access to goods under Retention of Title, the Buyer shall point out our proprietary rights and inform us instantly without undue delay. The Buyer shall undertake to likewise reserve the proprietary rights by plain and extended Retention of Title in the property whenever the goods are passed on in a processed or unprocessed state. Should the Buyer be in violation of the agreement, in particular should payment be delayed, we shall be entitled to take back the goods being under Retention of Title at the expense of the Buyer or to demand the transfer of the claim against third parties to return the goods. Our taking back or seizure of goods being under Retention of Title shall not be deemed as a withdrawal from the agreement by unless we state this expressly.
- 7. Complaints:** Claims for defects in quality shall become time-barred after six months. This shall not apply in so far as the law (of Germany) stipulates that longer periods are compulsory as well as in those cases of loss of life, physical injury and injury to health, in the event of an intentional or grossly negligent breach of duty and in the event of concealment of a defect with intent to deceive. Moreover, Number 9 (Limitations of liability) of our terms and conditions of sale and delivery shall apply for claims for damages as compensation. The Buyer shall be obliged to inspect our delivery immediately. Warranty claims can only be asserted if the defect has been notified in writing no later than one week from the receipt of the goods. If our operation / assembly or other instructions are not followed, or if modifications or repair work are carried out on our products, or if parts are exchanged, or if our products are used for purposes not in compliance with the usage expected in the contract, no claims under warranty shall be recognised. The same shall apply if the Buyer links up, mixes or processes our products with his products or with third party products in such a way that we can not reasonably identify that our products are to be used for their normal and / or common usage. The same shall apply if the Buyer uses our products in such a way not in compliance with accepted standards of science and technology or in other ways contrary to their normal and / or common use. All data stated by us in offers, catalogues, and other product descriptions on the function and quality of our products refer exclusively to the results of investigations conducted under standardised and recognised laboratory conditions, in particular to VDE + VDI. We shall accept liability only given this, but not however for the specific use in each case by the Buyer. If there are quality defects, we shall be at liberty as we see fit to replace the defective part by supplying a spare part free of charge or to have the part repaired by our agent at the premises of the Buyer. Subsequent fulfillment shall be made dependent upon the Buyer having paid an appropriate proportion of the purchase price taking into consideration the defect in quality that has occurred. Should we deliver a fault-free product for the purposes of subsequent fulfillment, the Buyer shall consequently be obliged to hand over us the defective product previously delivered to him. If we have furnished a warranty the product must be delivered to us. At the express wish of the Buyer and if he places an order with us to do so, we shall carry out work under warranty on site. The expenditure for service call outs will be invoiced in accordance with our "Service and customer service charges list". An invoice shall be presented regardless of whether a claim is made under warranty. Other claims made by the Buyer, in particular claims for damages in compensation shall be ruled out, regardless of the legal reason on which they are based. This shall not apply in so far as these claims are based on cases of intent, of gross negligence, or on account of loss of life, physical injury, or injury to health in which liability is compulsory.
- 8. Drawings, samples, sketches, technical illustrations and similar documentations** shall remain our property and must neither be used otherwise without our specific written authorization nor be made available to third parties. Software must not be copied or be used either directly or indirectly for purposes other than related to the covering agreement.
- 9. Limitations of liability:** Claims for damages in compensation and for expenditure (known in short as claims for damages), regardless of the legal reason on which they are based, in particular on account of breaches of duties created by obligations and illegal acts shall be ruled out. Exceptions to this are cases in which liability is compulsory, e.g. in accordance with the (German) Product Liability Act, in cases of intent, in cases of gross negligence, or loss of life, physical injury, or injury to health or on account of a breach of fundamental contractual obligations. The claim for damages for breach of fundamental contractual duties is however limited to damages typically foreseeable for this type of contract, provided that there is no liability for such damage as a result of intent or gross negligence or loss of life, or physical injury or injury to health. In so far as the Buyer is entitled to claims for damages in accordance with this Number 9, these claims shall also become time-barred after six months have expired. If claims for damages are asserted in accordance with the (German) Product Liability Act, the statutory regulations concerning limitation shall apply, provided that they are compulsory.
- 10. Final Clause:** The Laws of the Federal Republic of Germany shall govern the legal relationship between ourselves and the Buyer. Nuremberg, as far as that is legally permissible, shall be the place of performance as to shipment and payment. Nuremberg shall be the exclusive venue pertaining to any disputes resulting directly or indirectly from the contractual relationship. Should certain stipulations of these Terms and Conditions of Business or other conditions be ineffective, the effectiveness of any other stipulations or conditions and of the agreement altogether shall not be affected thereby. The ineffective stipulation shall be replaced by another one with which the intended purpose will be achieved in a permissible manner.