

General Business Terms

Elektrosil Systeme der Elektronik GmbH hereinafter referred to as "Elektrosil"

I. Scope

1. The General Business Terms printed below shall apply exclusively to all offers and orders, insofar as not expressly otherwise recognised in writing by Elektrosil.

Deviating business terms of the buyer are hereby expressly objected to. The General Business Terms shall also apply to all future business relations, even if they are not expressly agreed once again.

2. Elektrosil reserves its exploitation rights under property and copyright law to an unlimited extent to cost estimates, drawings and other documents. The documents may only be made accessible to third parties after obtaining the prior written consent of Elektrosil and are, if the order is not placed with Elektrosil, to be returned thereto immediately upon request.

II. Offer and conclusion of contract

1. The offers of Elektrosil are without obligation and non-binding. A contract shall only be concluded when an order has been confirmed in writing by Elektrosil or if this order was carried out.

2. The details published within the framework of publications such as e.g. datasheets are for the purpose of specifications of components. They do not warrant any properties of these components.

3. The scope of services of Elektrosil is exclusively derived from the order confirmation which is placed in writing.

III. Deadlines

1. The observance of deadlines for deliveries presumes the timely receipt of all documents, necessary permits and releases to be supplied by the buyer, in particular of plans as well as the compliance with the agreed terms of payment and other obligations by the buyer. If these pre-requisites are not satisfied in time then the deadlines shall be extended by a reasonable extent; this shall not apply if Elektrosil is responsible for the delay.

2. The deadlines shall be extended by a reasonable extent if the non-observance of the deadlines is due to force majeure or to similar events.

3. The contract is concluded under the reservation of the correct and timely self-delivery. In particular Elektrosil is entitled to make partial deliveries if its own suppliers and manufacturers are as proven in default of delivery. It shall inform the

contractual partner immediately of a new reasonable final deadline for delivery of the residual goods. If Elektrosil is not in the position to satisfy the contract within the final deadline either owing to insufficient delivery of own parts it can cancel the contract without the buyer being entitled to claims for damages unless it can prove that Elektrosil is grossly at fault for the non-satisfaction of the contract. The customer is also entitled to set a further final deadline of 4 weeks and cancel the contract after this expires unsuccessfully.

4. If Elektrosil is in default for other reasons than those stated in 3. the buyer – insofar as it substantiates that it suffered damages from this – can demand compensation for each full week of the default of 0.5 % each, a maximum total however of 5 % of the price for the part of the deliveries, which could not be taken into useful operation owing to the default. This restriction shall not apply insofar as liability is mandatory in case of wilful intent, gross negligence or owing to injury to life, the body or the health. This does not hereby involve a change in the burden of proof for the disadvantage of the buyer.

5. Both claims for damages of the buyer owing to delay of the service or instead of the service, which go beyond the limits stated in No. 4, are excluded in all cases of delayed delivery, also after expiry of a deadline which may be set to Elektrosil. This shall not apply insofar as liability is mandatory in cases of wilful intent, gross negligence or owing to the injury to life, the body or the health. The liability of Elektrosil is limited to the foreseeable, typically occurring damages, if the delay in delivery is not due to a wilful breach of the contract for which Elektrosil is responsible.

IV. Terms of payment

1. The prices of Elektrosil shall apply ex Hamburg not including packaging, insofar as not otherwise determined in the order confirmation. The prices of Elektrosil do not include the applicable rate of value added tax; it is shown separately in the invoice at the applicable rate on the date of the invoicing.

2. Payments are to be made within 10 days minus 2 % cash discount or 30 days without any deduction.

3. In case of breaches of duty of the buyer, in particular in case of default in payment Elektrosil is entitled to cancellation and to take the goods back after the unsuccessful expiry of a deadline set to the buyer for service; the statutory provisions concerning the dispensability of setting a deadline remain unaffected. The buyer is obliged to hand-over the goods.

4. The buyer is only entitled to offsetting, even if reports of defects or counter-claims are asserted, if the counter-claims have been determined final and absolute, were acknowledged by Elektrosil or are undisputed. The buyer is only entitled to exercise a right of retention if his counter-claim is based on the same contractual relationship.

V. Shipment/passing of risk

1. Shipment and service are carried out at the account and risk of the buyer, due costs shall be for the expense of the buyer. If the goods are to be picked up by the buyer itself, then the risk shall pass to the buyer with the notification that the goods are ready. If the shipment, the service or the pick-up in the plant is delayed for reasons for which the buyer is responsible or the buyer is in default of acceptance for other reasons then the risk shall pass to the buyer.

2. If shipment or service is delayed by more than one month after notification that the goods are ready for shipment at the request of the buyer, the buyer can be charged a storage fee in the amount of 0.5 % of the price of the items of the deliveries, a maximum total however of 5 % for each start of a month. The contractual parties reserve the right to prove higher or lower storage costs.

3. We do not take transport and all other packaging back according to the packaging regulations; with the exception of pallets. The buyer must ensure the disposal of the packaging at own costs.

VI. Reservation of title

1. Until payment of all claims against the buyer from the reciprocal business relationship the delivered goods shall remain the property of Elektrosil.

a. Insofar as the value of all security rights, to which Elektrosil is entitled, exceeds the amount of all secured claims by more than 20 %, Elektrosil shall release a corresponding amount of the security rights at the request of the buyer.

b. The buyer is entitled to dispose over the goods within the framework of a proper business transaction, in particular to resell, to process or install these as long as it is not in default of payment. All other disposals, in particular a pledge, assignment or provision as collateral are not permitted by way of exchange. Attachments, seizures or other disposals or interventions of third parties are to be reported to Elektrosil immediately. Upon request the buyer undertakes to insure the goods under reservation of title at its costs.

c. The Buyer hereby now already assigns its claims from the resale of the reserved goods to Elektrosil, irrespective of whether these are resold to one or several buyers; Elektrosil Systeme der Elektronik GmbH hereby accepts the assignment. The assigned claims serve to only secure Elektrosil up to the amount of the invoice value of the respective sold reserved goods.

d. With the processing of the delivered goods according to § 950 BGB [Civil Code] the new object will be produced for Elektrosil, without obliging it. The reservation of title also covers the new object. For the event of a connection or mixing of the delivered object with other movable objects (§§ 947, 948 BGB) the buyer assigns in advance its ownership or co-ownership rights to Elektrosil. If Elektrosil loses its

property to these produced and the delivered goods the buyer hereby assigns its remuneration claim according to § 951 BGB in advance to Elektrosil, who hereby accepts this assignment.

VII. Warranty/liability

1. The buyer may not refuse the acceptance of deliveries owing to insignificant defects. Reports of defects and complaints of all kinds must be received by Elektrosil by no later than within 4 days after arrival of the goods at the place of destination. If no such complaint is filed the silence shall be deemed as approval of the goods. If such a complaint was filed without justification Elektrosil is entitled to demand that the expenses it incurred are reimbursed by the buyer.

2. In case of justified complaints Elektrosil undertakes at its own choice to either subsequently improve or deliver new goods within a reasonable deadline. Subsequent improvement or new delivery shall only be made if the buyer has paid an instalment on the purchase price in the value of the faulty delivery. If the subsequent improvement or replacement delivery fails the buyer is entitled to cancellation or reduction.

3. Claims for damages and reimbursement of expenses of the buyer no matter for what legal grounds, in particular owing to the breach of duties from the debt relationship and from tortious act, are excluded. This shall not apply insofar as liability is mandatory, thus according to the Product Liability Act, in cases of the wilful intent, gross negligence, owing to the injury to life, the body or the health as well as owing to the breach of essential contractual duties. The claim for damages and reimbursement of expenses for the breach of essential contractual duties is however limited to the typical, contractual and foreseeable damages insofar as there is no wilful intent or gross negligence or liability is to be assumed owing to the injury to life, the body or the health. The afore-mentioned conditions do not involve a change in the burden of proof for the disadvantage of the buyer. Further or other claims of the buyer than those stated against Elektrosil and its vicarious agents owing to a defect are excluded.

4. Warranty claims shall not exist with just insignificant deviation from the agreed condition, with just an insignificant impairment of the usability, with natural wear and tear or damages, which are suffered after the risk is passed as a result of faulty or negligent handling, excessive use, unsuitable equipment or owing to special external influences, which are not presumed according to the contract. If improper modifications or repair work are carried out by the buyer or by third parties then no warranty claims shall exist for this and the ensuing consequences either.

5. Claims of the buyer owing to the expenses which are required for the purpose of subsequent performance, in particular transport, route, work and material costs are excluded insofar as the expenses are increased, because the object of the delivery has been subsequently taken to another location than the branch of the buyer, unless the relocation corresponds with its use as intended.

6. The warranty claims of the buyer shall become statute-barred 12 months after delivery of the goods. This shall not apply insofar as the law stipulates longer deadlines as well as in cases of the injury to life, the body or the health, with a wilful or grossly negligent breach of duty of Elektrosil and with malicious non-disclosure of the defect. The statutory regulations concerning inhibition to flow, inhibition and new commencement of the deadlines remain unaffected. After expiry of the deadline the buyer is only entitled to refuse payment of the purchase price and to offsetting against compensation claims if it reported the defect in time and it has an undisputed or finally determined counter-claim.

7. Recourse claims of the customer against Elektrosil according to § 478 BGB (recourse of the entrepreneur) shall only exist to the extent that the buyer has not reached any agreements with its buyer which go beyond the statutory warranty claims. No. 5 shall apply accordingly to the scope of the recourse claim of the buyer against Elektrosil according to § 478 Par. 2 BGB.

8. Elektrosil shall also be liable within the framework of this guarantee in the extent, in which Elektrosil submitted a guarantee of condition and/or durability with regard to the goods or parts thereof. However, it shall only be liable for damages, which are due to the absence of the guaranteed condition or durability, but do not occur to the goods directly, if the risk of such damages is clearly covered by the guarantee of condition and durability.

VIII. Amendment to the contract

1. Insofar as unforeseeable events such as for example mobilisation, war, riot, strike, lock-out, substantially change the commercial importance or the contents of the delivery or have substantial implications for the operation of Elektrosil, the contract shall be re-adjusted by observing good faith. Insofar as this is not deemed financially reasonable, Elektrosil shall be entitled to cancel the contract. If Elektrosil intends to exercise this right of cancellation then it must inform the buyer thereof immediately after gaining knowledge of the consequences of the event even if an extension of the delivery time was initially agreed with the buyer.

2. If the asset situation of the buyer deteriorates substantially after conclusion of the contract, in particular if insolvency, composition proceedings are initiated over the assets of the buyer or if the buyer has been summoned to swear in lieu of an oath, Elektrosil can cancel the contract or alternatively issue an extraordinary termination.

IX Industrial property rights and copyrights

1. Insofar as not otherwise agreed Elektrosil undertakes to merely provide the delivery in the country of the place of delivery free of industrial property rights and copyrights of third parties. Insofar as a third party asserts justified claims against the buyer owing to the infringement property rights and copyrights through deliveries made by Elektrosil which are used as per contract Elektrosil shall be held liable within the deadline stated in VII 6 as follows:

a. Elektrosil shall at its choice and at its costs either obtain a right of use for the relevant deliveries, change this to the extent that the property right and right of use are not infringed or exchange it. If this is not possible at reasonable conditions the buyer shall be entitled to the statutory rights of cancellation or reduction. VII. 1, 2 and 7 shall apply accordingly.

b. The duty of Elektrosil to pay damages is oriented to VII 3.

c. The afore-mentioned obligations of Elektrosil shall only exist insofar as the buyer informs Elektrosil immediately in writing about the claims asserted by the third party, does not acknowledge an infringement and Elektrosil reserves the right to all defence measures and settlement negotiations. If the buyer suspends the use of the delivery for reasons of minimising damages or other important reasons, it undertakes to inform the third party that the suspension of use does not involve any acknowledgement of an infringement of a property right and copyright.

d. Claims of the buyer are excluded insofar as it is responsible for the infringement of property right and copyright.

e. Claims of the buyer are further excluded insofar as the infringement of property right or copyright is caused through special stipulations of the buyer, through an application which was not foreseeable by Elektrosil or due to the fact that the delivery is changed by the buyer or used together with products which were not delivered by Elektrosil.

X. Assumption of the obligations from the electrical appliance law

1. The buyer of appliances which fall under the field of application of the electrical appliance law and the use of which is excluded in private households (so-called B2B-appliances) hereby undertakes to treat appliances which are no longer used according to the stipulations of the electrical appliance law at own costs and dispose of properly. It is thus the person who is liable to disposal within the meaning of § 10 Par. 2 S. 4 electrical appliance law. The buyer shall indemnify Elektrosil from the obligation to take the goods back according to § 10 Par. 2 S. 1 electrical appliance law as well as the disposal obligations according to § 10 Par. 2 S. 4 electrical appliance law and from all claims of third parties in this respect. Elektrosil shall inform the buyer that the duties assumed by him remain unaffected by a resale.

2. In order to keep the proof that the appliances delivered by Elektrosil are usually not used in private households within the meaning of § 3 Par. 4 electrical appliance law, the buyer undertakes to take back and dispose of all appliances. It in particular undertakes not to sell or give the appliances to employees.

3. The claim of Elektrosil for assumption/indemnification by the buyer shall not become statute-barred before the expiry of two years after the final termination of the

use of the appliance. The 2-year deadline shall begin no earlier than with the receipt of a written notification of the buyer by Elektrosil about the termination of use.

XI. Place of jurisdiction and applicable law

1. If the customer is a merchant, agreed as place of jurisdiction – also for bills of exchange, cheques and document proceedings – is Hamburg for both parties with all disputes ensuing directly or indirectly from the contractual relationship. Elektrosil is however also entitled to file action at the registered seat of the buyer.

2. The legal relationship between Elektrosil and the customer is exclusively subject to German law under the exclusion of the uniform law governing the international purchase of movable objects and the law governing the conclusion of international purchase contracts for movable objects.