

I. SCOPE

The following delivery and payment terms shall apply for the duration of the relationship with our customers/buyers/purchasers (hereinafter: customer) who are exclusively entrepreneurs. With conclusion of contracts these conditions are accepted as binding for both sides. Conflicting conditions of the customer are expressly excluded. Subsidiary agreements are effective only upon our written confirmation.

II. OFFER and CONTRACT COMPLETION

1. The purchase order by the customer shall constitute an offer within the meaning of §§ 145 ff. of German BGB. Our offers are in terms of price, quantity, delivery time and availability without obligation and non-binding and constitute only an invitation to make an offer to the customer. The customer is bound to his order for 4 weeks. The sales contract is concluded when we confirm acceptance of the order within this period in writing or in electronic form or delivery was performed. However, we are committed by any rejection of the order to inform the customer immediately after clarify the availability of the delivery in written or electronic form.

2. Telephone and verbal additions, alterations and additional agreements shall be effective only by our written or electronic confirmation.

3. For scope, content and terms of delivery our order confirmation is valid only.

4. We reserve ownership and copyright to all cost estimates, quotations, drawings and other documents. The documents may not be made accessible to third parties without our written consent.

III. CANCELLATION or CHANGE OF DATE of orders

1. The acceptance of cancellations is up to us. When accepting the cancellation we reserve the right to charge all our costs incurred.

2. Change of dates will only be accepted if they are announced at least 60 days prior to the originally/initially agreed delivery.

IV. PRICE

1. The price of the purchased item is ex-works Bruckmühl, excluded VAT. Additional services, such as transportation costs, freight, packaging, and so on will be charged in addition. We have the right to appropriately raise the offer prices if the price fixing calculation factors have changed in the meantime, for example by increase in material costs, wages, freight costs and duties in case of supply by pre-suppliers and similar situations; price increase of the corresponding percentage of the increase in price is regarded as agreed. In case of a variation of the exchange rate between the currency in which the ordered goods of the customer are being purchased (e.g. US-\$) and the currency, in which this goods are sold (e.g. Euro) we have the right, to consider this exchange rate variation within the invoice or in a separate subsequent billing. This applies also if the variation of the exchange rate comes true between the forwarding of the offer or the offer confirmation to the customer and the billings of the respective pre-supplier against us - and as well as for supplier related backlog adjustments. Any agreements divergent therefrom require the written approval from our side.

2. Aforesaid also applies to partial deliveries.

V. TERMS OF PAYMENT

1. Payments are due as soon as the customer is informed that the goods are ready for shipment. Payments are made to us in cash without any deductions within 30 days of receipt, but no later than 30 days after delivery. For payment within 10 days, we offer a 2% discount. However, we are also entitled to make delivery dependent on immediate payment.

2. Cheques and drafts are only accepted upon special agreement and only for payment reasons; costs for cash and discount charges will be charged separately.

3. If the payment obligations of the customer are in default or due, and he had not paid this debt in full within a period of at least two weeks, all our claims from the business relationship will be payable/due immediately. For supplies and services to customers of foreign countries it is expressly agreed that all costs of obtaining litigations in the event of default by the customer, both judicial and non-judicial, are at the expense of the customer. Same applies if the customer's notes or checks will not be honored. We are in these cases also entitled to fulfil our further contractual obligations only against concurrent payment of the owed compensation. Our legal rights in case of default by the customer are not affected, particularly the right to charge interests for default or delay.

4. The Customer can only then offset claims of our claims, if his counterclaim is undisputed or a legal title exists which has been acknowledged by us in written form; the customer can enforce lien/right of retention only in respect of the part under complaint and in case the lien is based on claims arising from the contract.

5. In the case of payment delay of the customer, we are entitled to withhold the shipment immediately and without further notice, until no

outstanding payment exist anymore. An obligation to compensate any arising damage claims is expressly not accepted by us.

6. We are entitled to assign our accounts receivables for financing purposes.

VI. DELIVERY and DELAYED DELIVERY

1. Partial deliveries as well as over or under deliveries are permitted if customary and/or within a tolerance of +/- 5% of the ordered quantity and rounded up to the nearest whole number.

2. We take no responsibility for the failure to deliver; in particular we grant no binding delivery dates. We will endeavor to meet the promised delivery, provided to receive all necessary information, materials, permits, materials provided (free-issue parts), releases and documents from the customer in time.

3. Unforeseen delivery difficulties, upon which we have no influence, which are beyond our will and which we, despite exercising reasonable care according to the circumstances of the case, cannot prevent - no matter whether they occur on our or at subcontractor's premises - like for instance force majeure (riots, war, fire, natural disasters), as well as major production problems beyond our control, delays in the delivery of essential raw materials, late delivery of the pre-suppliers etc., shall not entitle the customer to make claims for damages or withdraw from the contract; customer understands that these delivery difficulties change aforementioned dates and times for the duration of disruptions caused by these circumstances. We shall have the same rights in case of strikes and lockouts on our own or on the premises of our subcontractors/pre-suppliers.

4. Delivery terms starts with conclusion of the contract, but not before successfully providing of information, materials, permits, materials provided (free-issue parts), approvals and documentations to be furnished by the customer. The observance/adherence of delivery terms requires that these furnish arrive us in time, but not later than at the agreed time. In the event of subsequent contract modifications a new delivery date and period has to be agreed upon if necessary.

5. 6 weeks after a non binding delivery date or period has been exceeded, the customer may demand in written form that we may deliver within a reasonable period of time. With this reminder, we are in default.

6. Our delivery is subject to minor construction or design changes, as well as colour deviations and changes in the scope of supply by the manufacturer/importer during the whole delivery time, if the goods are not significantly changed and the changes are reasonable for the customer.

VII. TRANSFER OF RISK/PERILS

1. Shipping and packaging takes place in accordance with the usual care and to best of our judgment. Immediately at the beginning of shipment any dangers are transferred and at the expense of the customer, even so, if free delivery has been agreed.

2. At customer's request, we will insure shipment against risks and charge the costs.

3. If delivery of the goods is delayed by the behavior of the customer, the risk is on the customer's side from the day, the goods are ready for shipment.

VIII. ACCEPTANCE BY THE CUSTOMER, CUSTOMER COMPLAINTS

1. Complaints must be in writing and transferred to us within 14 days of notification of availability or arrival of the goods at destination. Thereafter, the goods shall be deemed accepted and approved. In each delivery case the total amount of liability shall be limited to the market value of each individual delivery item.

2. The customer is obliged to complain visible damages of the packaging or the goods to the carrier immediately during receipt of the delivery.

3. All further claims of whatever type, in particular consequential losses, are expressly excluded.

IX. CLAIMS OF BUYER DUE TO A DEFECT, WARRANTY

1. All documents of the offer, such as illustrations, drawings, technical specifications, weights and measurements are only nearly applicable, unless they are expressly designated as binding.

2. Due to public statements by us or our agents, as well as by the manufacturer/importer or its agents, we are not liable for these public statements, if we did not know and could not be expected to know, if the statement was already corrected at the time of the purchase decision or if the customer is unable to prove that the statements have influenced his decision to purchase.

3. We are not liable for defects that reduce the value or usefulness of the good only slightly. A minor defect exists in particular if the fault disappears shortly by itself or can be removed by the customer itself with very little effort.

4. The warranty does not apply to defects or damages resulting from the following and/or where not we are responsible for, but the customer or third parties:

- Determination of design or material by the customer
 - Use of materials provided (free-issue parts) or materials of the customer
 - Faulty installation or commissioning by the customer or third parties
 - Incorrect operation or use of improper equipment
 - Failure to comply with instructions and/or maintenance procedures
 - Improper use or overuse of goods
 - Natural wear and tear
 - Installation and removal of parts or foreign parts
 - Disassembly or modification of the subject matter without our consent
 - Incorrect installation and improper use of the delivered goods
5. Claims arising out of a defect requires in the case of trade buying (Handelskauf), that the customer has properly performed his duties of examination and complaint notification in accordance with § 377 German HGB.
6. For the settlement of claims for defects following applies:
- The customer has to indicate the claims to us in written form immediately.
 - Subsequent performance takes place by correction/repair of faults or substitute delivery, at our choice.
 - Replaced parts become the property of us. In cases of warranty with foreign clients we shall generally not accept customs duties and other special costs related to the place of usage or export country of the purchased objects. As far as compensation is agreed on the workload, our usual working hours will be charged together with the wages for the respective country.
 - Claims by the customer for the purpose of supplementary performance/subsequent fulfilment, in particular transportation, haulage, labour and material costs, are excluded if the expenses increase because the goods have been taken to a different place than the original destination of the customer.
 - For our execution of the necessary rework the customer has to grant appropriate time and opportunity. We reserve the right to carry out rework activities in a factory which we consider to be suitable.
 - For repair, addition or replacement of supplied parts, the warranty period is one year from the date of replacement.
 - For external work/subcontracting and purchased parts/outourced parts, the customer has to apply for subsequent repair first to the foreign manufacturer/importer or supplier. The customer shall only be entitled for claims for repair against us, if the respective manufacturer/importer or supplier does not rework within a reasonable period of time.
 - The customer must provide us with all the necessary information and details about the defect. In particular, it's our right to get access to data of the system- and electronic environment and to evaluate this data. As long as the customer does not fulfill his duty to cooperate, we may refuse subsequent performance.
 - If the remedy fails, the right of the customer remains unaffected to withdraw from the contract or demand a reasonable reduction (reduction in price).
7. All claims due to a defect shall be limited to one year after delivery. Warranty is excluded for the delivery of old, used or repaired materials or spare parts.
8. Claims for damages and reimbursement of expenses remain unaffected if this treaty is not regulated, limited or excluded otherwise in this delivery and payment terms. Consequential damages however remain generally excluded.

X. RETENTION OF TITLE

1. Until payment of all our (and future) receivables/claims from the business relationship with the customer, we reserve title/ownership to all goods supplied by us.
2. All receivables/claims of the customer arising from the resale are already assigned to us with entering into the agreement. The customer is only entitled for resale in the subject that the appropriate purchase price claim from the resale is transferred to us. A collateral assignment/transfer of security deposit or pledge is not allowed. Third party access to the goods delivered under retention of title must be notified in writing by the customer immediately. The customer agrees to insure the goods against theft and natural hazards, and to provide prove on request. The claims from this insurance contract shall be assigned to us. The goods subject to our property must be stored separately from other goods and identified as our property.

XI. LIABILITY and INDEMNITY/COMPENSATION

1. Claims for damages, regardless of the legal reason, are excluded, unless we acted with intent or gross negligence or we are liable for misconduct or gross negligence of our legal representatives or agents.
2. Above exclusion of liability does not apply if the claim for damages results from the breach of material contractual obligations. If we negligently a material contractual obligation, our liability is limited to the typical foreseeable damage, however consequential damages are generally excluded.

3. As far as liability results under paragraphs 1 and 2 of this section, they will be limited to the contract value, and further compensation claims are excluded.

4. As far as the damage is covered by a social security benefit or a private insurance company, our liability is limited to the respective minimum levels of insurance.

5. The restriction to our liability shall not apply for damages resulting from injury to life, body or health, as well as the liability under the Product Liability law. Unless any liability resulting herefrom, liability is limited to the performance of our applicable insurance.

6. Provided that our liability is excluded or limited, this also applies to the personal liability of our employees, workers, representatives and agents.

7. The customer is obliged to report in written form or indicate to us any damages and losses for which we are obliged to provide compensation immediately.

8. The limitation of claims from product liability according to § 823 BGB is subject to Section IX, number 7 unless otherwise provided in §§ 478, 479 German BGB.

XII. PLACE OF PERFORMANCE, JURISDICTION, APPLICABLE LAW

1. For all liabilities arising from the contract our city Bruckmühl is place of the performance, unless another place is agreed.

2. For all disputes arising under or relating to this contract, provided that the customer is a merchant in terms of the German HGB, and it is part of his business operations, the sole place of jurisdiction shall be our place of business. However we are also entitled, by our choice, to take legal actions against the customer at his place of business, his office, at the court of the place of performance or at any other court.

3. The contract is governed exclusively by the laws of the Federal Republic of Germany, especially for deliveries and services abroad.

4. The provisions of both the International Private Law (IPR) and the UN Convention on Contracts of the International Sale of Goods (CISG) are expressly excluded.

XIII. EFFECTIVENESS of these CONDITIONS

1. The invalidity of individual provisions does not invalidate the entire contract. Invalid provisions must be replaced by regulations that come closest to the economic purpose of the invalid provisions.

2. At our choice and in addition to this delivery and payment terms, the general delivery and payment terms for products and services of the electrical industry in the current version as of the day of concluding the contract shall apply.

3. If the English meaning of this translation of our German "Liefer- und Zahlungsbedingungen" differs from the German meaning, the German meaning shall prevail.

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