

E-T-A Elektrotechnische Apparate GmbH, Altdorf

Terms of Sale

1. General Provisions, Conclusion of Contract

1.1. Our terms of sale shall be valid in respect of any natural or legal person or incorporated partnership acting at the time of signing the contract in a corporate capacity or in a capacity as self-employed professionals (entrepreneurs in the sense of §14 BGB) as well as in respect of corporate bodies and legal entities under public law. These terms of sale do not apply to consumers in the sense of §13 BGB.

1.2. Our terms of sale as well as the written purchasing contract (written form or text form in the sense of §§126, 126b BGB) shall apply to all legal relations between us and buyers in the sense of clause 1.1 in connection with deliveries and/or performances rendered by us. General terms and conditions of the customer shall only be valid in so far as we agreed to them expressly in writing in text form. The mutual concurrent written explanations are exclusively binding for the final scope of deliveries. Statements which we declared verbally are not binding.

1.3. The written form or text form of ordering goods by the buyer is held a binding offer of contract. Unless indicated otherwise in the order, we are entitled to accept this offer of contract within 14 days upon receipt. If an order confirmation issued by us contains reasonable deviations from the order, the consent of the buyer is held granted unless he objects without delay, at the latest within three work days upon receipt of the order confirmation.

1.4. We reserve unrestricted property rights and copyrights with regard to cost estimates, drawings and other documents (in the following: documents). The documents must only be made available to third parties upon our prior consent and have to be returned to us immediately if we do not receive the order. The clauses 1 and 2 are also valid for the documents of the buyer, but these may be made available to such third parties who have been permissibly been assigned with deliveries by us.

1.5. The buyer has the non-exclusive right to use standard software and firmware with the agreed performance characteristics in unchanged form on the agreed devices. The buyer may create a back-up copy of the standard software without explicit agreement.

1.6. Partial deliveries are acceptable if reasonable for the buyer.

1.7. The term "damage claims" used in these Terms of Sale also includes claims for reimbursement of futile expenses.

2. Prices, terms of payment and set-off

2.1. Our prices are ex works excluding packaging plus the currently valid value added tax.

2.2. If we take over installation or mounting, the buyer will carry all required expenses such as travel expenses and transportation as well as allowances besides the agreed payment unless otherwise agreed.

2.3. Payments shall be made free of transaction charges within 30 days after the date of invoice to our designated account(s). Payment is held effected as soon as the amount is available to us. Payments shall be effected by means of SEPA direct debit scheme.

2.4. Deduction of discount requires a special agreement in writing (written form or text form in the sense of §§126, 126b BGB).

2.5. If payment is delayed, we reserve the right to add interest for default at nine percent above the respective base interest rate. In addition we are entitled to request a lump sum of 40 EUR for each delay in payment of the buyer. The right to claim further damages caused by delay shall remain unaffected.

2.6. The buyer can offset claims arising from this contract only against undisputed or legally determined claims.

2.7. Should the buyer's creditworthiness change substantially for the worse, we shall be entitled to requesting advance payment or provision of a security.

3. Retention of title

3.1. The subjects of the deliveries (goods subject to retention of title) will only pass into the ownership of the buyer upon complete payment of the supplied goods and the fulfillment of all claims we have against the buyer arising from this business relationship. If the value of all security interests we are entitled to exceeds the value of all covered claims not only temporarily by more than 10 %, we will release a corresponding part of the security interests upon request of the buyer; regarding the release we can choose between different security interests. Regarding the selection of the securities to release we will consider the legitimate interests of the buyer. The fulfillment or waiving of a security effects the passing of ownership at the time of the passing of risk.

3.2. During the retention of title, the buyer is prohibited from pawning or transferring of title for securing a debt, and a resale is only permitted to resellers in the usual course of business and on provision that

the reseller receive payment from his client, or makes the provision that the ownership will pass to the client only after the latter has completed the payment.

3.3. In reselling goods subject to reservation, the buyer hereby assigns his future claims and all ancillary rights resulting from the resale - including possible balance claims - against his clients to us for security purposes without the need for further specific declarations. In case the goods subject to reservation are resold together with other items, without a unit price having been agreed upon for the reserved goods, the buyer assigns that portion of the total claim to us which corresponds to the price charged by us for the reserved goods.

3.4. The buyer is permitted to process the goods subject to reservation, or to intermixture or combine them to other objects. The processing is carried out for us. To our benefit the buyer keeps the new object generated by the processing safe in custody with the diligence of a prudent businessman. The new object is considered subject to reservation. The parties agree that in case of combination or intermixture to other objects not belonging to us, we have a claim to co-ownership of the new object in the amount of the portion which results from the ratio of the value of the connected reserved goods to the value of the other goods at the time of connection. The new object is considered subject to reservation in this respect. The new object is considered subject to reservation. The regulation concerning the assignment of claims according to paragraph 3.3 also applies to the new object. The assignment, however, is only valid up to the amount corresponding to the price charged by us for the processed or combined or intermixed reserved goods. In combination the goods subject to reservation to property or movable objects, the buyer, without the need for specific declarations, also assigns his claim to which he is entitled as recompense for the connection - with all accessory rights - in the amount of the ratio of the value of the connected reserved goods to the value of the other connected goods at the time of connection to us for security purposes.

3.5. The buyer is authorised to the collection of assigned claims from the resale until revoked. For a compelling reason, notably delay in payment, suspension of payments, institution of insolvency proceedings, bill protest, or well-founded indications for overindebtedness or imminent insolvency of the buyer, we are entitled to revoke the buyer's authorisation to collection. Additionally, we are - after prior warning and observing an adequate time limit - entitled to disclose the assignment for security purposes, realize the assigned claims, as well as demand the disclosure of the assignment for security purposes by the buyer to the client.

3.6. In case of seizure or attachment of property, or sundry disposal or intervention by a third party the buyer is obligated to inform us immediately. When furnishing prima facie evidence for a justified interest, the buyer is obliged to immediately provide us with the necessary information for the enforcement of his rights against the client and to hand over the necessary documents.

3.7. In case of the buyer neglecting his duty, notably in case of delay of payment, we are - after the unsuccessful expiry of a time limit put to the buyer - entitled to take back the goods as well as to revoke the contract; the legal requirements for the expendability of a time limit are unaffected. The buyer is obligated to return the goods. The taking back of the goods, respectively the enforcement of the retention of title or seizure of the reserved goods by us does not constitute a revocation of contract unless we had expressly declared it.

4. Delivery times; delay

4.1. Meeting the delivery times presupposes the receipt of all documents to be provided by the buyer, of all necessary licences and clearances, notably of plans, in due time, as well as the observance of the conditions of payment agreed upon and of sundry duties by the buyer. In case these requirements are not met in due time, the delivery times are extended adequately.

4.2. In case the delivery times are exceeded due to

a) circumstances amounting to force majeure, e.g. mobilisation, war, acts of terrorism, insurrection, or similar incidents (e.g. strike, lock-out),

b) virus- or sundry attacks by third parties against our IT-system, as far as these occurred in spite of compliance with the usual diligence with regards to safety measures,

c) impediments caused by German, US, as well as other applicable national, EU or international regulations of foreign trade and payments law, or caused by other circumstances we are not liable for, or

d) delayed or improper delivery by our sub-suppliers, unless this had culpably been caused by our own fault,

the delivery times are extended appropriately.

4.3. In case we are in delay, the buyer can - provided he can show probable cause that a loss has occurred for him - demand reparations of 0.5% per completed week of the delay, however no more than max. 5% of the price for that part of the delivery which was not appropriately usable.

4.4. Claims for compensations by the buyer due to delayed delivery, as well as claims of compensation in lieu of performance, exceeding the limits stated in paragraph 4.3. are excluded in all cases of delayed delivery, even after exceeding a time limit possibly put to the supplier. This does not apply in case of liability for wilful intent, gross negligence or violation of life, body or health. The buyer can only recede within the limits of legal regulations, as far as we are responsible for the delay in delivery. A modification of the burden of proof detriment to the buyer is not tied to the above regulations.

4.5. The buyer is obligated, on our demand, to declare within an appropriate time limit, whether they revoke the contract due to the delay in delivery or whether they insist on delivery.

4.6. In case dispatch or delivery are delayed at the buyer's request for more than a month after the notification of readiness for dispatch, the buyer can be charged with storage cost of 0.5% of the price for the objects of the delivery per month or part thereof,

however max. 5%. The parties are at liberty to prove higher or lower storage costs.

5. Passing of risk

5.1. The risk passes to the buyer - also in case of carriage paid - as follows:

a) on delivery without assembly or installation when the goods were taken to or collected for shipment. On request and at the expense of the buyer the shipment can be insured by the supplier against the customary risks of transportation.

b) on delivery with assembly or installation on the day of transfer to the buyer's operation or, if agreed upon in a written or text form, after successful trial operation.

5.2. In case the dispatch, the delivery, the start, the execution of assembly or installation, the transfer to the buyer's operation or the trial operation is delayed for causes the buyer is liable for or the buyer should come into default of acceptance for sundry reasons, the risk passes to the buyer already at this point of time.

6. Assembly and installation

As far as no other written agreement (written form or text form in the sense of §§126, 126b BGB) is made, the following regulations apply for assembly and installation:

6.1. The buyer is obligated to provide in due time and at his expense:

a) any groundwork operations, construction works and sundry back-work outside the suppliers sector of industry including the necessary skilled and non-skilled workers, construction material and tools,

b) the necessary requisites and materials for installation and putting into operation, such as scaffolding, hoisting devices and other devices, fuels and lubricants,

c) power and water at the application site, including connections, heating and illumination,

d) at the mounting site for the storage of the machinery parts, apparatus, materials, tools etc. sufficiently sized, suitable, dry and lockable rooms and adequate work- and recreation-rooms for the assembly personnel including sanitary facilities adequate to the circumstances; moreover the buyer is obligated to take those measures for the safety of the supplier's and the assembly personnel's property at the construction site which they would take for the safety of their own property,

e) protective clothing and equipment which is necessary due to particular circumstances at the site of installation.

6.2. Before the assembly works begin, the buyer has to unsolicitedly provide the necessary information on the location of concealed electricity conduits, gas and water pipes and of any similar equipment and the requisite information on balance.

6.3. Prior to the commencement of installation or assembly, the provisions and objects necessary for that work must be at the installation or assembly site, and all preliminary work must be so far advanced, prior to the commencement of construc-

tion, that the installation or assembly can be commenced according to agreement and executed without interruption. Approaching routes, as well as the installation or assembly site must be levelled and cleared.

6.4. In case the installation, assembly, or putting into operation is delayed through circumstances the supplier is not liable for, the buyer is obligated to bear the expenses for the stand-by period and additional necessary travels on the side of the supplier or the assembly personnel to an adequate extent.

6.5. The buyer is obligated to attest to the duration of the assembly personnel's working-hours on a weekly basis, as well as immediately to the completion of the installation, assembly, or putting into operation.

6.6. In case the supplier requests the acceptance of the delivery after completion, the buyer is obligated to give it within two weeks. Should the buyer let the two-week-limit go by, or the delivered goods - as the case may be after an agreed testing period - be taken into operation, this equals an acceptance.

6.7. In case we expressly take over the delivery costs, the contractual partner is obligated to commission the shipping company named by us.

6.8. Transactions for delivery by a fixed date are to be denominated as such.

7. Taking delivery

The buyer may not refuse to take delivery of the goods for insubstantial defects.

8. Material defects

We are liable for material defects as follows:

8.1. All those parts or services that exhibit a material defect are, according to our choice, to be gratuitously corrected, newly delivered, or newly performed, as far as the cause for the defect was already present at the moment of the passing of risk and the buyer met his legally requested investigation and notification obligations (§§ 377, 381 HGB).

8.2. Claims for supplementary performances shall become statute-barred 12 months after delivery of the purchased item; if an acceptance was agreed, the limitation period begins with the acceptance. The same shall apply to revocation of the contract and price reductions. This period does not apply, if the law prescribes longer periods, particularly according to §§ 438 para. 1 subpara 2 (buildings and objects for buildings), 479 para. 1 (claims to recourse) and 634a para 1 subpara. 2 (construction defects) German Civil Code, according to § 12 para. 1 German Product Liability Act, in case of intent, fraudulent concealment, as well as breach of guarantee of quality. The legal requirements for suspension of expiry of the limitation period, suspension of limitation and Recommencement of the limitation period are unaffected.

8.3. Goods received must be investigated with regard to defects immediately upon receipt. Notice of defects on the part of the buyer must be given immediately, at any rate within a week, in writing, per facsimile or e-mail, whereby the timely despatch of the report is sufficient to determine compliance with the deadline. If obvious defects are not reported at

all or not report in time or not reported in due form, our related warranty obligations shall not apply (cf. clause 8.1).

8.4. In case of notice of defects the buyer may retain payments of an amount adequate in relation to the exhibited material defects. The buyer may only retain payments, if the notice of defect put forward is indubitably justified. The buyer does not hold a right to retain payment after his claims for compensation of defects are time-barred. In case the notice of defects was unjustified, we are entitled to claim reimbursement from the buyer for the expenses caused by it.

8.5. We are to be granted opportunity for cure within an adequate time limit.

8.6. Should the cure fail, the buyer can revoke the contract or reduce the recompense or the selling price, regardless of possible claims for compensation according to paragraph 8.10.

8.7. Claims based on defects are not recognised in case of unsubstantial deviation from the quality agreed upon, of unsubstantial detriment of usability, of natural wear or defects which arise after the passing of risk due to incorrect or negligent handling, excessive strain, unsuitable equipment, faulty construction, unsuitable building ground, or defects which arise due to particular external influences that are not presupposed according to the contract, as well as in case of irreproducible software-errors. In case the buyer or a third party executes improper alterations or maintenance work, no claims based on defects are recognised for these and the resulting consequences.

8.8. Claims on the side of the buyer for the expenses necessary for cure, particularly costs for transport, travel, labour and material, are excluded, as far as the expenses are augmented because the delivered goods have subsequently been placed at another destination than the buyer's branch unless such placement is consistent with their intended use.

8.9. The buyer's claims to recourse against us, according to § 478 German Civil Code (recourse of the entrepreneur), are only recognised as far as the buyer has not made any agreement with their purchaser exceeding the legal claims based on defects. For the extent of the right to recourse of the buyer against the supplier, according to § 478 para. 2 German Civil Code, paragraph 8.8 will apply accordingly.

8.10. Claims for damages on the side of the buyer on the basis of material defect are excluded. This does not apply in case of fraudulent concealment of the defect, breach of guarantee of quality, violation of life, body or health, in case of claims according to German product liability act and in case of a wilful or grossly negligent breach of duty on our side or on the side of a vicarious agent. A modification of the burden of proof detriment to the buyer is not tied to the above regulations. Further or other claims of the buyer based on a material defect as those regulated in paragraph 8 are excluded.

9. Industrial property rights and copyrights; defects of title

9.1. As far as not agreed upon differently, we are obligated to provide the delivery solely in the country of the place of delivery exempt from property rights and copyrights of third parties' (in the following: property rights). In case a third party makes justified claims against the buyer due to the infringement of property rights by goods delivered by us and used according to contract, we are liable to the buyer within the time limit set in paragraph 8.2 as follows:

a) We will - to our choice - either effect a right of use for the deliveries in question, alter them in such a way that the property right is not infringed, or exchange them. In case we are not able to comply with that at adequate conditions, the buyer is entitled to the legal revocation- or reduction-rights.

b) Our obligation to fulfil claims for damages is based on paragraph 12.

c) The aforementioned obligations only apply, as far as the buyer immediately informs us about the claims made by the third party in writing, per facsimile or e-mail, disclaims any infringement and we reserve all measures of averting and composition proceedings. In case the buyer discontinues the usage of the delivered goods for reasons of mitigation of damages or sundry important reasons, he is obligated to advise the third party that the discontinuation of use is not tied to a recognition of the infringement of property rights.

9.2. Claims by the buyer are excluded, as far as he is liable for the infringement of property rights.

9.3. Furthermore, claims by the buyer are excluded, as far as the infringement of property rights is caused by particular requirements by the buyer, by an application which was not foreseeable for us, or by the buyer altering the delivered goods or applying them together with products not delivered by us.

9.4. In other respects, in case of infringement of property rights, for the buyer's claims regulated in paragraph 9.1.a) the regulations of paragraphs 8.4 and 8.5 apply accordingly.

9.5. In case of the existence of sundry legal defects the regulations according to paragraph 8 apply.

9.6. Further or other claims based on a defect of title by the buyer against the supplier and their vicarious agents as those regulated in paragraph 9 are excluded.

9.7. Generally no transfer of usage right of our industrial property rights and copyright is connected with the supply of our deliveries and performances. Such a transfer can only be based upon a separate written agreement.

10. Reservation of performance

10.1. The contract is performed with the reservation that no impediments due to German, US, as well as sundry applicable national EU or international regulations of foreign trade legislation, as well as embargos or sundry sanctions are opposed to it.

10.2. The buyer is obligated to provide any information or documents necessary for export, transport, or import, respectively.

11. Impossibility of performance; adaptation of contracts

11.1. In case the delivery is impossible, the claim of the buyer for delivery is excluded. The buyer is entitled to request recompensation unless we are not liable for the impossibility. However, the buyer's damage claims are limited to 10 % of the value of that part of the delivery which cannot be used appropriately due to the impossibility. This limitation does not apply, as far as liability in cases of wilful intent, gross negligence or violation of life, body, or health is concerned; a modification of the burden of proof detriment to the buyer is not tied to the above regulations. The buyer's right to revoke the contract remains unaffected.

11.2. As far as events in terms of paragraph 4.2 a) to c) significantly alter the commercial relevance or the contents of the delivery, or significantly impact our business, the contract is adequately adapted in consideration of loyalty and good faith. In case this should not be economically justifiable, we are entitled to revoke the contract. The same applies if necessary export licences are not granted or not usable. Should we be willing to exercise this right to revocation, we will immediately inform the buyer of it upon recognition of the momentousness of the event. This also applies in case an extension of the delivery period had first been agreed upon with the buyer.

12. Other damage claims

12.1. As far as not regulated otherwise, the buyer's damage claims on whatever legal grounds, particularly on the basis of breach of duty resulting from the obligation and on the basis of from illegitimate action, are excluded.

12.2. This does not apply, in case of the following liabilities:

- a) according to the German product liability act,
- b) in case of wilful intent,
- c) in case of gross negligence on the part of proprietors, legal representatives or vicarious agents applied by us,
- d) in case of fraudulent intent,
- e) in case of breach of warranty
- f) in case of culpable violation of life, body or health, or
- g) in case of culpable violation of substantial contractual obligations.

The damage claim for the violation of substantial contractual obligations is, however, limited to damages typical for the contract and foreseeable, unless any of the aforementioned cases applies.

12.3. A modification of the burden of proof detriment to the buyer is not tied to the above regulations.

13. Place of jurisdiction and applicable law

13.1. The sole place of jurisdiction, if the buyer is a merchant, for all disputes resulting directly or indirectly from the contractual relationship, shall be Nuremberg. However, we are also entitled to file a lawsuit at the buyer's place of business.

13.2. Governing law shall be the law of Germany with the exclusion of the international conflict of laws provisions thereof and with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

13.3. References to the validity of legal regulations shall only have clarifying significance. Therefore the legal regulations shall be valid even without such a clarification as far as they are not directly changed or expressly excluded in these Terms of Sale or in the framework of other contractual agreements.

14. Binding force of the contract

14.1. Even in case of legal ineffectiveness of single regulations, the contract remains binding in its remaining parts. This does not apply in case the adherence to the contract would constitute an unreasonable hardship.

14.2. Should a provision in these Terms of Sale be or become invalid, the validity of all other provisions shall remain unaffected.

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