

# **General Terms and Conditions of Sale and Delivery**

## **of CONEC Elektronische Bauelemente GmbH**

### **1. Scope and Delivery Obligations**

- a) Any and all provisions in deviation from the following or statutory regulations — in particular the Customer's terms and conditions of purchasing — shall not be binding on us unless we have confirmed their application in writing. The delivery of goods, the performance or services, or the acceptance of payments shall not be interpreted as our acknowledgment of deviating provisions.
- b) No contract shall be deemed concluded until we have issued a written or preprinted order confirmation.  
No modifications of, amendments to, or cancellation of a contract or of these Terms and Conditions shall be deemed effective unless confirmed by us in writing.

### **2. Terms and Conditions of Delivery**

- a) Our prices are denominated in EURO ex shipping plant, excluding packaging and value-added tax. The agreed prices are based on the purchase prices, payroll schedules, customs duties and freight, and any and all other official levies currently applicable to our business. If and when any of these factors increase after the placement of an order, we reserve the right to increase the delivery price accordingly.
- b) The Customer will be charged for packaging at cost.
- c) We reserve the right to charge to the Customer the costs for any trial parts and the tools required for their manufacture.
- d) Partial deliveries are permissible.
- e) Delivery dates and periods are projected in accordance with our best judgment. Release orders and delivery schedules are subject in every case to specific delivery date agreements. If and when an agreed delivery date is exceeded by more than 3 weeks due to reasons for which we are accountable, the Customer may cancel the contract after previously setting a subsequent delivery period of 3 weeks.  
The delivery periods and dates commence as per the date of the order confirmation. In the event of industrial action, these periods shall be extended for the duration of the resulting interference.
- f) If and when there are disruptions in a partial delivery related to an order comprising multiple consignments, no rights related to the other partial deliveries of this order may be asserted.  
In the case of release orders, we are entitled to procure immediately the material for the order in its entirety and to manufacture immediately the entire quantity of the order for small and medium lot sizes. For this reason, any changes requested by the Customer after placement of the order cannot be taken into consideration in the absence of express deviating agreement.
- g) We are entitled to overdeliver or underdeliver as much as 10% of the agreed quantity.
- h) The return of merchandise is subject to our prior consent in each and every case.
- i) In the event that a petition for the initiation of bankruptcy proceedings is filed, a statutory declaration pursuant to Section 807 ZPO (German Code of Civil Procedure) is submitted, payment difficulties occur, or we become aware of a significant worsening in the Customer's assets, we are entitled to suspend deliveries immediately and to refuse to fulfill current contracts until the Customer has effected payment or provided collateral for the payment. If the payment or collateral has not been submitted within 7 workdays of a request to this effect, we are entitled to rescind the contract.

### **3. Retention of Title**

- a) The Supplier retains title of ownership to the goods, even after their sale by the Customer, until payment of any and all claims arising from the business relationship has been

made in full. The retention of title also extends to any products which have been installed and/or resold.

The receivable from the resale of the goods by the Customer shall automatically be assigned to the Supplier immediately upon its accrual.

- b) In the event of the installation of the Supplier's goods, the proportion of the value of the Supplier's goods in the total receivable arising from the sale of the product by the Customer shall be assigned to the Supplier upon its accrual. The proportional title to the revenue from the resold goods shall be assigned to the Supplier upon payment to the Customer.
- c) Supplier's goods for which payment has not been submitted may be neither pledged nor assigned by way of security. Any and all receivables from the business relationship shall immediately become due and payable if and when the Customer suspends payments or requests a settlement or moratorium.
- d) In the event of a breach of contract by the Customer, in particular default of payment, we are entitled to cancel the contract and demand return of the goods. The Customer hereby grants to us irrevocable permission to enter his business and warehouse premises without hindrance and to take the goods away when their return has been requested. The Customer shall notify us immediately in writing of any seizures or other interventions by third parties. It is prohibited for the Customer to enter into agreements with his customers which could infringe upon our rights.

### **4. Terms and Conditions of Payment**

- a) In the absence of any contrary written agreements, payments shall be effected immediately without any deductions, free Supplier's point of payment. In the event of default of payment, the Customer shall pay interest on the cash debt at a rate of 8% above the base interest rate for the duration of the default. We reserve the right to assert claims for higher damages as a consequence of the default. The first day of the payment period is the date of issue of the invoice. Purchase price payments shall be effected within 12 workdays after receipt of the goods and the invoice, either in cash or by bank transfer (date credited to our account). In the event of the Customer's default of payment, the Supplier shall be entitled to request immediate payment, including receivables due at a later date, without regard for any contrary terms and conditions.
- b) The Customer shall be entitled to offset payment or assert a right of retention solely if and when his counterclaims have been finally determined by a court of law, are undisputed, or have been acknowledged by us; furthermore, he shall be entitled to rights of retention solely to the extent that they are based on the same contractual relationship.
- c) Checks and bank transfers shall be accepted solely on account of payment until they have been properly redeemed. Bills of exchange will be accepted on account of payment solely in accordance with prior agreement. The Supplier shall be reimbursed for any discount fees and interest. The day of performance of payments shall be deemed the day on which the Supplier can dispose of the amount without any reservations.
- d) Terms and conditions of payment which deviate from the provisions of Clauses 4 a–c shall not apply unless expressly confirmed in writing by the Supplier.
- e) We are entitled to assign the claims from our business relationship. Payment shall be effected solely and exclusively to the recipient of the assignment in discharge of the debt.

### **5. Transfer of Risk**

- a) Deliveries shall be made at the Customer's risk.
- b) We will be deemed to have fulfilled our delivery obligation as soon as the goods have been properly handed over to

the freight agent or forwarding agent by rail or have been loaded on our own or the Customer's vehicles.

- c) If the Customer does not accept a consignment within a reasonable period after receiving notice of readiness for shipping or refuses to accept the consignment, or if shipment is not possible for more than 1 month after the agreed delivery date due to reasons for which we are not accountable, we are entitled to store the goods for the Customer's account and at his risk in our own warehouse. In such a case, we are entitled to bill the Customer for the goods. In addition, we are entitled to charge an amount equivalent to 75% of the storage costs of a forwarding agent. If the manufacture or delivery of the ordered goods is unreasonably difficult or temporarily impossible due to circumstances which we have not caused and for which we are not accountable, — e.g., in cases of force majeure such as war or government orders, operational and transport disruptions, shortage of labor or raw materials, strikes and lock-outs, whether at our own facilities or those of our suppliers — we will be released from the delivery obligation and, moreover, be entitled to suspend our deliveries without designating a subsequent delivery time.

#### **6. Liability for Defects in the Consignment**

- a) With respect to material damage, the Customer is initially required to comply with the statutory inspection and complaint obligations of Section 377 HGB (German Commercial Code). Written notification of obvious defects must be submitted within a period of 14 days as of receipt of the goods; otherwise, the assertion of any warranty claims shall be excluded. Dispatch of the notification in due time shall be deemed compliance with the period. The Customer shall bear the onus of proof of any and all prerequisites for assertion of the claim, including, but not limited to, the defect itself, the point in time at which the defect was determined, and the submission of the complaint of the defect in due time.
- b) The Customer may not assert any further rights on the basis of material defects which do not or which only slightly reduce the value or the suitability of the goods for the purpose recognizable to us.
- c) If and when the goods display a material defect at the time of the transfer of risk, we are entitled and obligated to subsequent performance. Subsequent performance will, at our discretion, take the form of subsequent improvement or substitute delivery. We will bear the costs of the subsequent performance, in particular the costs of transport, infrastructure use, material, and labor. If and when these costs amount to more than 50% of the value of the consignment, we are entitled to refuse subsequent performance. Replaced parts become the property of the Supplier.
- d) If and when the subsequent performance fails or is not carried out or is refused during a reasonable period set by the Customer, the Customer shall be entitled, at his discretion, to cancel the contract or to demand either a reduction of the purchase price as appropriate to the defect or the rescission of the contract. However, the Customer shall not be entitled to rescind the contract in the event of only a minor breach of contract, in particular in the case of minor defects.

If and when the Customer selects rescission of the contract owing to legal or material defects after the failure of subsequent performance, he shall not be entitled to any damage compensation claims based on the defect.

- e) The warranty period shall be one year as of the delivery of the goods to the Customer. The period shall apply to used and new delivered goods. This warranty obligation shall not apply if and when the Customer does not submit notification of the defect in due time.
- f) Natural wear and tear, damage resulting from incorrect or careless handling, excessive use, the use of unsuitable operating materials, and chemical, electromechanical, or electrical factors which occur through no fault of the Supplier shall be excluded from the liability for defects.
- g) Any and all modifications and repair work performed improperly or without the Supplier's prior consent by the Customer or a third party shall negate the Supplier's liability for any consequences. The Supplier's product description shall be the sole authority for the characteristics of the goods. No guarantees in a legal sense are granted to the Customer.

#### **7. Property Rights**

- a) We retain unrestricted title of ownership to any and all work pieces, samples, drafts, drawings, cost estimates, and similar documents, even if the Customer has been charged proportionately for them; our rights to dispose of and utilize any such items shall not be curtailed. We are not subject to any unreasonably long retention periods for tools. The above-mentioned items may not be made available to third parties without our consent. Any and all drawings and other documents which are part of an offer shall be returned to us upon request and in the event that the contract is not awarded to us.
- b) If and when we have manufactured and supplied products based on drawings, models, samples, or other documents provided by the Customer, the Customer shall assume the warranty that the products do not infringe on any third-party property rights and copyrights. If and when third parties prohibit our actions, in particular manufacture and delivery, by invoking any such property rights, we are entitled, without being obliged to undertake further review of the legal situation, to cease and desist from any further activities immediately and to demand damage compensation from the Customer. Independently of the above clause, the Customer undertakes to indemnify and hold us harmless immediately from and against any and all third-party claims related to these actions based on the infringement of property rights.

#### **8. Proper Law**

Our legal relationships with our Customer are regulated solely and exclusively by the laws of Germany. The above clause applies to both the conclusion and the execution of the contract. The application of the Hague Uniform Laws on the International Sale of Goods shall be excluded. The invalidity of individual provisions shall not affect the validity of the remaining provisions.

#### **9. Place of Performance and Venue**

- a) Place of performance for any and all deliveries is the place from which delivery is made.  
Place of performance for any and all payments is 59557 Lippstadt.
- b) If and when the Customer is a full merchant under German law, Lippstadt shall be deemed legal venue. However, we are also entitled to file suit against the Customer with courts at his domicile.