

**General terms of delivery and payment for the
Company 2E mechatronic GmbH & Co KG,
Maria-Merian-Strasse 29, 73230 Kirchheim/Teck, Germany**

1. General

- 1.1. The following delivery and payment terms apply to all Business relationships for the Company 2E mechatronic GmbH & Co. KG (named supplier in the following text) with their customers (named as customer in the following text) and suppliers.
- 1.2. Conflicting or additional terms by the customer or supplier will therefore not be part of the contract, if the supplier does not explicitly disagree with them. Their inclusion in any case requires explicit written approval from the supplier. This also applies for clauses in written form.

2. Order confirmation

- 2.1. From the scope of delivery to the performance of the customer's services, the supplier's written order confirmation is decisive. First of all there are delivery / supply conditions (conclusion of contract). Until the supplier's written confirmation of order is received, all offers are non-binding and are subject to prior sale. Each collateral agreement / amendment requires the supplier's written confirmation.
- 2.2. The supplier's goods in question, prospects, advertisements, catalogues, price lists etc and the details contained in these items are unbinding, as long as they are not specifically referred to as binding in writing by the supplier. Technical advancements have brought about minor changes in design, format and performance and these do not entitle the customer to assert their rights in the case of unfinished services/ deficiencies or damage claims. If the customer withdraws from the contract, unless the supplier is to blame, or takes the customer away from the contract, then the supplier is entitled to demand 40% of the contract value as damages; it could be that the customer proves that no damage or considerably less damage has occurred. The supplier's right to calculate the damages incurred and enforce them, remains unaffected.

3. Delivery

- 3.1. The delivery period given by the supplier pre-supposes all issues have been clarified and does not begin before the order confirmation is sent as well as receiving the purchaser's documents and not before receipt of an arranged payment. The delivery period is adhered to if the supplier's goods in question have left or if it has been communicated that the goods are ready for shipping.

- 3.2. The delivery period requires appropriate measures to be taken relating to industrial relations, such as strikes and lockouts as well as unforeseen hindrances of force majeure, which lie outside the supplier's control, provided these are demonstrably a significant influencing factor on the completion of work or delivery of goods. This also applies if these circumstances arise with the subcontractor. These circumstances are also not represented by the supplier, if they occur during default. The supplier will immediately inform the customer at the beginning at end of the period when these obstacles have an impact.
- 3.3. Any claims for damages by the customer due to delays in supply as well as claims for damages instead of delivery are excluded; even after the supplier's deadline for delivery has passed. This shall not apply in cases of intent, gross negligence, physical injuries and damage to health or mandatory liability. A change in the burden of proof to the customer's disadvantage is unbinding according to the existing regulations.
- 3.4. If delivery is delayed due to the customer, then he must, one month after communicating that the order is ready for dispatch, settle at least half the invoice amount relating to the costs incurred for the supplier's storage in the factory. The supplier is also entitled to dispose of the item being delivered, otherwise set a deadline or a reasonable period of time, or to provide the customer with a reasonably extended period of time for delivery.
- 3.5. Compliance with the delivery period assumes the complete fulfilment of the customer's contractual duties. If the customer is in arrears due to payment of a previous order, then the supplier is entitled to withhold further deliveries, without obligation to compensate any existing damages.
- 3.6. The supplier can carry out reasonable part deliveries and invoice the customer correspondingly.

4. Prices

- 4.1. Prices for supplying services are applicable only for the confirmed order, from ex works to loading in factory, however not including packaging and customs clearance fees. Prices are subject to legal sales tax / VAT at the time.
- 4.2. Provided fixed prices are not agreed, the prices that are valid on the day of delivery will be calculated and charged. The supplier reserves the right to adjust the prices accordingly if there are cost reductions or cost increases after entering the contract, in particular due to labour agreements or increases in material prices. These adjustments can be accounted for by the customer's request.

- 4.3. In the case that a customer from abroad and outside the European market does not fulfil their obligations for paying sales tax, these prices are increased in accordance with applicable sales tax in Germany (VAT).

5. *Payment*

- 5.1. Supplier invoices are due for payment within 14 days of the invoice date without any deductions and according to written and agreed payment terms. However delivery can also be independently made by immediate payment or pre-payment.
- 5.2. The customer can only offset such claims or make retention claims that are determined to be uncontested or legally valid.
- 5.3. In the case of late payment by the customer, the supplier is entitled to demand an interest rate of 8% for payment claims above the current base rate for the year. The supplier reserves the right to make a further claim for damages.
- 5.4. Customers' cheques are only accepted as conditional payment without guarantee. Bills of exchange are not accepted.
- 5.5. Even concerning partial late payments by the customer, all supplier claims from this business relationship will be due immediately. This also applies for successful acceptance of cheques.

6. *Transfer of risks*

- 6.1. The risk is passed to the customer in sending or collecting the goods, as soon as these goods have left the supplier's warehouse, unless there are previously agreed delivery terms in writing. This also applies in the case of partial deliveries or if the supplier assumes other services in accordance with written agreement, for example, shipping costs or delivery.
- 6.2. All deliveries, including returns, are sent at the customer's own risk. This applies especially if the shipment, order etc is delayed or the customer can otherwise delay acceptance of the goods.

7. *Packing and Shipment*

- 7.1. Packing and shipment take place according to normal commercial guidelines.
- 7.2. If the customer expressly wishes to have special packaging arrangements or particular means of shipment, the supplier invoices these as additional costs.

- 7.3. At the customer's wish, the supplier's shipment can be insured against theft, transport and other insurable risks at the customer's costs.

8. *Reservation of ownership*

- 8.1. The objects being delivered (reserved goods) shall remain the supplier's property until all claims against the customer arising from the business relationship have been settled. Provided the value of the security interests that the supplier is entitled to exceeds the value of all secured claims by more than 20%, the supplier can, at the customer's request, release the corresponding portion of these security rights.
- 8.2. During the reservation of ownership, the customer is not entitled to pledge goods or transfer security and reselling is only allowed in the context of normal business and under the condition, that the reseller receives payment from his customers or makes a stipulation that the property/ goods only belong to their customer, when they have fulfilled their payment obligations. However the customer transfers all claims arising from this resale to the supplier, indeed regardless of whether the goods will be resold without or after processing or whether they are linked with moveable property or not. If the goods are resold after processing or together with other third party goods, then the customer's claim against his own customers in respect of the delivery price agreed between the customer and supplier for the reserved goods is deemed as assigned.
- 8.3. Even after the transfer, the customer is entitled to collect this debt / these claims. The supplier's right to collect this claim themselves remains unaffected, but the supplier is not obliged to do this, provided the customer fulfils their payment obligations. If the ordering customer makes us of his collection authority, the supplier shall have the proceeds collected, to the amount agreed between the purchaser and the supplier delivery price for the goods.
- 8.4. Agreements on or conversion of the reserved goods are carried out on the supplier's side as manufacturer according to article 950 BGB (German Civil Code), without any obligation on the supplier. If the ownership of the supplier's goods is transferred with other items, then the supplier assumes co-ownership of the new items in relation to the market value of the supplier's goods to the value of the other processed items at the time of processing. The customer shall keep the new items with customary care and diligence, free of charge for the supplier.
- 8.5. The buying customer can neither pledge the reserved goods nor assign them as security. For seizures of goods and confiscations or disposal rights by third parties, the supplier must immediately report this in writing and support the intervention in every way. The customer must bear the costs in this case.

9. Warranty / Claims

- 9.1. The customer must immediately inspect the goods upon receiving them and notify the supplier in writing of any shortfalls or visible defects within a week after delivery; in any case before processing or installation of the goods and subsequent delivery. Only defects occurring later should be immediately communicated to the supplier in writing and verified.
- 9.2. If defects occur, the customer is expressly forbidden to sell those delivered goods to third parties, for processing or installation; unless the supplier has given his express written approval to do so. The buying customer shall, at the request of the supplier without delay provide samples of the rejected goods. If the customer does not fulfil these obligations, then accounts for any other warranty claims, the customer is himself liable for damages, provided the supplier makes a claim for resulting damages.
- 9.3. All defective parts or services are to be repaired free of charge at the supplier's discretion, or else newly delivered; parts that within the limitation period show a product defect, regardless of the operational time; provided its cause existed at the time of the risk transfer and provided it's the supplier's fault.
- 9.4. When defects are reported, customer payments may only be withheld to the amount that is proportionate to the defect occurred. The customer can only withhold payments, if the defect or fault is asserted and where there is no doubt as to the justification. If the defects turn out to be unjustified, the supplier is entitled to demand payment from the customer for the expenses incurred.
- 9.5. The supplier shall be given sufficient opportunity to carry out supplementary services and within a reasonable period of time by the customer.
- 9.6. Defects do not exist, in the case of: minor deviations only from the quality agreed, merely slight impairment on the usability, by natural wear or damages which arise after the transfer of risk by defective or negligent handling, excessive stress, improper storage, etc; which are not foreseen in the contract. It should be noted that silver contacts are subject to a natural aging process, whereby it can result in an unavoidable discoloration in the contact area. Any claims on the basis of discolorations to the contacts will therefore be rejected.
- 9.7. If improper modifications to the delivered goods are made by the buyer or third parties, these actions and the consequences thereof shall be likewise excluded, unless they can be shown that they had no demonstrable influence on the defects.

- 9.8. Customer claims due to the necessary expenses for the subsequent performance; in particular, transport, moving, processing and material costs, are excluded; provided the expenses are increased because the supplier's item was subsequently brought to another location than the customer's premises.
- 9.9. Recourse claims by the customer against the supplier according to article 478 BGB (recourse by the Company) exist only to the extent that the customer / buyer has no existing agreements with its customers about the statutory warranty claims.
- 9.10. Further liability is excluded, provided that no mandatory legal regulations oppose this. As long as the supplier's liability is excluded or limited, this also applies for their customer's personal liability, employees, colleagues, representatives and vicarious agents.

10. Reselling

- 10.1. The customer is obliged that when distributing the goods, they bear the supplier's trademark and to refrain from acts that may be considered unfair or unlawful under applicable laws and regulations.
- 10.2. The customer is prohibited from assigning any existing claims against the supplier to third parties.
- 10.3. Processing and / or alteration of the goods (terms previously agreed with the supplier) is not permitted, considered as originating by the customer, or which gives the impression that the goods are the special product.

11. Product liability

- 11.1. If the customer is manufacturer, according to the individual section of § 1 of the Product Liability Act, then he is obliged to adhere to the operating instructions accompanying the goods and to strictly observe the supplier's instructions and guidelines.
- 11.2. The customer is obliged to immediately perform entry checks in respect of the delivered goods. Any resulting indications of hazards during subsequent use of the goods must be immediately reported to the supplier. Regarding the continued use of these goods, the customer is prohibited from using the goods, until there is written approval after a final inspection by the supplier.
- 11.3. For damages already occurred by third parties, the customer must immediately inform the supplier of this information. The customer is obliged to participate in a product recall if necessary.

- 11.4. Further use of the goods delivered to the customer in the fields of air and rail transport requires express written authorization by the supplier. An intention to use the goods in similar hazardous areas on the customer's behalf should be reported to the supplier immediately. This also applies if the actual application of the goods is later changed and, where appropriate, safety or dangerous areas that the customer should subsequently be made aware of.
- 11.5. In the case, that a claim is brought against the supplier by a third party due to product liability, the customer is obliged to exempt the supplier from such claims, provided that the damage was caused by an error caused by customer's continued use of the product. However in cases of fault liability, this only applies if the customer is at fault. If the damage is the customer's responsibility, they bear the burden of proof. In these cases, the customer assumes all costs and expenses, including the costs of any legal proceedings or recall.

12. *Product liability for the supplier*

- 12.1. The supplier is liable for all goods delivered to 2E, according to current, legal standards.
- 12.2. This applies, inter alia, and also must ensure that all delivered goods meet the specifications set by the legislation, the required conditions and, if necessary meet modern standards.

13. *Effectiveness*

- 13.1. Should any of these conditions – for whatever reason – be invalid or ineffective, this doesn't affect the validity or effectiveness of the other conditions.
- 13.2. Instead of the invalid conditions in the way of contractual interpretation, the terms which come closest in terms of meaning and purpose from a commercial perspective must be applied.

14. *Place of performance / Jurisdiction / applicable law*

- 14.1. The place of performance is 73230 Kirchheim/Teck, insofar as legally permitted, for all deliveries and payments including returns.
- 14.2. The place of jurisdiction for all involved parties and for any disputes arising from the Business relationship is 73230 Kirchheim/Teck, insofar as the customer is a merchant, legal person, corporate body under public law or public special fund. The supplier is also entitled to bring an action to the customer's headquarters.

14.3. The entire contractual relationship between the customer and the supplier is subject exclusively to the Federal Republic of Germany laws under exclusion of the UN Sales Convention (CISG).

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