

General Terms and Conditions of Sale

of

ILFA Industrieelektronik und Leiterplattenfertigung aller Art GmbH

Hannover

§ 1 General, Application

(1) These general terms and conditions of sale (hereinafter "T&C's") shall apply for all business relations with our customers (hereinafter "Customers", each a "Customer"). The T&C's shall only apply if Customer is an entrepreneur within the meaning of Section 14 German Civil Code, a legal entity under public law or a special fund under public law within the meaning of section 310 para 1 German Civil Code.

(2) The T&C's shall in particular apply for agreements for the purchase and/or delivery of movable assets (hereinafter „Goods“), regardless of whether we have produced the Goods or have purchased them from suppliers (sections 433, 651 German Civil Code). Unless otherwise agreed, the T&C's, in the form as applicable at the time of the order respectively in any event in the form last submitted to Customer in text form, shall apply as a framework agreement also for future agreements regarding the sale and purchase and/or the delivery of Goods to the same Customer without us being obliged to advise Customer of their application in every individual case.

(3) Our T&C's shall apply exclusively. Differing or contrary or supplementary general terms and conditions of Customer shall only become part of the agreement if and to the extent we have explicitly approved of their application. This consent requirement shall apply in any event, for example also even if we have accepted delivery from Customer without reservation, having knowledge of its general terms and conditions.

(4) Individual agreements with Customer (including ancillary agreements, supplements or amendments), concluded in an individual case shall prevail over these T&C's. A written agreement respectively our written confirmation shall be decisive for the content of such individual agreements, unless evidenced to the contrary.

(5) Legally relevant statements and notifications to be made by Customer vis-à-vis us after formation of contract (e.g. deadlines, notification of defects, revocation or purchase price reduction) require the written form to be valid.

(6) References to the application of statutory provisions are only made for clarification purposes. Even without such clarification the statutory provisions shall apply if and to the extent they are not directly amended or explicitly excluded by these T&C's.

§ 2 Formation of Contract, Confidentiality

(1) Our orders are subject to change and non-binding. This shall even apply, if we have provided catalogs, technical documentation (e.g. drawings, plans, computations, calculations, references to DIN standards), other product description or documentation - also in electronic form - to which we reserve our proprietary and intellectual property rights. These shall not be made available to third parties; this shall apply in particular for those documents which are marked as confidential. Any dissemination to third parties requires our explicit, written consent.

(2) Any order of Goods by the Customer shall be deemed as a binding offer. Unless set forth otherwise in the order, we shall be entitled to accept such offer within 4 weeks after receipt of the offer by us.

(3) The acceptance can either be declared in writing (e.g. by way of order confirmation) or by delivery of the Goods to the Customer.



§ 3 Delivery Time and Default

(1) The delivery times will be agreed on an individual basis respectively specified by us upon acceptance of the offer. A delivery time specified by us shall not start before final clarification of all technical questions relevant for the processing of the offer, in particular receipt of all documentation, required permissions and approvals to be delivered by the Customer, in particular related to plans.

(2) In case we should not be in the position to deliver within a binding delivery time for reasons we cannot be held liable for (non-availability of performance) we will inform Customer without undue delay and at the same time inform about the envisaged, new delivery time. Should performance not be available within the new delivery time, we shall be entitled to rescind from the contract in whole or in part; any consideration of the Customer already paid shall be repaid without undue delay. In particular any delivery by our suppliers not made in time shall be deemed a non-availability of performance, in case we have agreed on a matching cover transaction, neither we nor our supplier were at fault or if we are not responsible for sourcing in the individual case

§ 4 Delivery, Passing of Risk, Acceptance, Default of Acceptance

(1) Unless agreed otherwise in the individual case, delivery shall be made out of our works (Hannover) (EXW), which shall also be deemed the place of performance for delivery and possible supplementary performance. Upon Customer's request and at Customer's expense the Goods can be delivered to another place than the place of performance (*Versendungskauf*). Unless agreed otherwise, we shall be entitled to determine the kind of delivery (in particular carrier, dispatch route, packaging).

(2) The risk of accidental loss or damage to the Goods shall pass to the Customer at the latest upon handing over at the place of performance. In case of delivery to another place than the place of performance the risk of accidental loss or damage to the Goods shall pass upon dispatch to the carrier, freight carrier or other person or institution responsible for performance of the shipment. In case acceptance is agreed, acceptance shall be decisive for the passing of risk. Otherwise, in case of acceptance the statutory provisions for an agreement for work and services (*Werkvertrag*) shall apply. Handover or acceptance is deemed to have occurred if Customer is in default with acceptance (*Annahmeverzug*).

(3) In case Customer is in default with acceptance, omits a cooperation action or if our delivery is delayed for reasons the Customer is responsible for, we shall be entitled to claim damages for any damage resulting therefrom (e.g. storage costs), with our other statutory rights being reserved.

§ 5 Prices and Payment Terms

(1) Unless agreed otherwise in the individual case, our prices effective at the time of formation of the contract shall apply, EXW, plus packaging costs and VAT. Any cash discount requires a written agreement.

(2) In case of agreed delivery to a place other than place of performance (see section 4 para 1) Customer shall bear transportation costs ex works plus costs of a transportation insurance, if the latter is requested by Customer. Possible customs, tolls, taxes and other public fees shall be borne by Customer.

(3) Payment shall be due and payable within 30 calendar days from the date of invoice and delivery respectively acceptance of the Goods. We are, also in an ongoing business relationship, at all times entitled to deliver in whole or in part only against prepayment We will inform Customer about such reservation at the latest upon order confirmation.

(4) Upon lapse of the aforementioned time of payment Customer shall be deemed in default. The purchase price shall bear statutory default interest. Assertion of further default damages remains reserved. Vis-à-vis merchants, our claim for maturity interests (*Fälligkeitszinsen*, section 353 German Commercial Code) shall remain unaffected.

(5) Customer shall only be entitled to offset or retain payment with binding or uncontested counterclaims. In case of a defective delivery, counter-rights of Customer, in particular under § 7 para 6 sentence 2 of these T&C's shall remain unaffected.



(6) If after formation of the contract it becomes recognizable (e.g. by way of an application to open insolvency proceedings) that our payment claim is endangered by the financial capacity of Customer, we shall be entitled in accordance with statutory law provisions to refuse performance and - if necessary after setting a deadline - to rescind from the contract (section 321 German Civil Code). In case of production of custom made Goods we are entitled to rescind immediately; the statutory provisions regarding the dispensability of setting a deadline shall remain unaffected.

§ 6 Retention of Title

(1) Until full payment of our current and future claims under the purchase contract and an ongoing business relationship ("Secured Claims"), we reserve title to the sold Goods.

(2) Prior to full payment of the Secured Claims, Goods subject to the retention of title shall neither be pledged to third parties nor be subject to a chattel mortgage. The Customer shall inform us without undue delay in writing, if an application for the opening of insolvency proceedings has been submitted or if third parties seek access (e.g. pledges) to our Goods.

(3) If Customer acts contrary to contract, in particular in case of nonpayment of the purchase price due, we shall be entitled to rescind from the contract in accordance with statutory right provisions and/or demand withdrawal of the Goods based on the retention of title. The request for withdrawal of the Goods does not constitute a rescission of contract; we shall be entitled to claim withdrawal of the Goods and to reserve rescission. If Customer does not pay the purchase price due, we are only entitled to enforce such rights if we have unsuccessfully set a reasonable deadline beforehand or if setting of a deadline is not necessary under statutory law.

(4) Until revocation in accordance with lit. c) below, Customer shall be entitled to sell or process Goods subject to retention of title. In such case, the following shall apply:

(a) The retention of title shall extend to such products resulting from the processing, amalgamation or combination of our Goods, at full value, with us being deemed as producer. In case that by way of processing, amalgamation or combination with the goods of third parties their retention of title remains in existence, we shall retain co-ownership in proportion of the invoice values of the processed, amalgamated or combined Goods. Otherwise, for the new product the same shall apply as for Goods delivered under retention of title.

(b) Customer herewith transfers to us as security the receivables vis-à-vis third parties arising from the re-sale of the Goods or the products containing Goods in full respectively in an amount equal to our coownership pursuant to the preceding section. We hereby accept such transfer. Customer's obligations set forth in para. 2 shall also apply for the transferred receivables.

(c) Customer shall remain entitled to collect such receivables, in addition to ourselves. We are obliged not to collect such receivables as long as Customer honors its payment obligations vis-à-vis us, no deficiency in Customer's financial capacity exists, and as long as we have not asserted our retention of title by exercising one of our rights under para 3. Should this be the case though, we can require that Customer informs us about the receivables subject to security transfer and the corresponding obligors, provides us with the relevant documentation and informs the obligors (third parties) about the security transfer. In addition, in such case we shall be entitled to revoke Customer's authorization to resell and process the Goods subject to retention of title.

(d) In case the realizable security value exceeds our claims by more than 10%, we will release security at our choice upon Customer's demand.

§ 7 Liability Claims of Customer

(1) Customer's rights with respect to defects of quality and/or title (including, without limitation, wrong delivery, short delivery and incorrect assembly, incorrect instructions for assembly and / or manual) shall be governed by statutory law, unless explicitly set forth otherwise hereinafter. In any event, the special

statutory provisions for final delivery of Goods to a consumer (supplier recourse pursuant to sections 478, 479 German Civil Code) shall remain unaffected.

(2) Agreed quality shall form the primary basis for our liability for defective Goods. Such product descriptions which are explicitly subject matter of the individual contract shall be deemed an agreed quality of the Goods.

(3) If there is no agreement on quality, statutory provisions shall apply for the question whether a defect exists or not (section 434 para 1 sentence 2 and 3 German Civil Code). We shall not be liable for public statements of third parties (e.g. advertising messages).

(4) Customer shall only have claims for defects in case of compliance with its statutory commercial inspection and objection obligations (sections 377, 381 German Commercial Code). In case a defect becomes apparent upon inspection or at a later point in time, Customer shall notify us in writing without undue delay. A notification within 2 weeks (dispatch of the notification within such time being deemed made in time) shall be deemed made without undue delay. Irrespective of such inspection and objection obligation, Customer shall notify us about any defects that are apparent upon outward inspection (including wrong delivery and short delivery) within 2 weeks from delivery, again with dispatch of the notification within such time being deemed made in time. In case Customer omits the due inspection of the Goods or the aforementioned notification, our liability for defects that have not been notified shall be excluded.

(5) In case the delivered Goods are defective, in the first instance we have the choice to fulfill supplementary performance by way of rectification of the defect (*Nachbesserung*) or by delivery of Goods free from defects (*Ersatzlieferung*). Our right to refuse supplementary performance in accordance with the statutory prerequisites remains unaffected.

(6) We are entitled to fulfill supplementary performance conditional upon payment of the purchase price due by the Customer. Customer shall be entitled to retain part of the purchase price in reasonable proportion to the defect.

(7) Customer shall grant the opportunity and time necessary for supplementary performance, in particular hand over the defective Goods for inspection purposes. In case of delivery of goods free from defects, Customer shall return the defective Goods in accordance with statutory provisions. Supplementary performance neither includes disassembly of the defective Goods nor assembly of the new Goods free from defects, if we were primarily not obliged to assemble or disassemble

(8) We will bear all costs and expenses of inspection and supplementary performance, in particular transportation costs, working costs and costs of material (other than costs of assembly and disassembly) in case of the existence of a defect. Otherwise, we are entitled to claim unwarranted costs of rectification of a defect (in particular inspection and transportation costs), unless the lack of defect was not recognizable for the Customer.

(9) If supplementary performance has failed or if a reasonable deadline set by Customer has lapsed without results or is not necessary pursuant to statutory provisions, Customer can rescind from the purchase contract or reduce the purchase price. In case of an insignificant defect the rescission right shall be excluded.

(10) Customer's claims for damages respectively compensation for futile expenses exist only in accordance with section 8 hereof, even in case of defects, and are otherwise excluded. We are not liable for damages other than those of delivered Goods themselves; in particular, we are not liable for lost profits or other financial losses of the Customer.

§ 8 Other Liability

(1) Unless set forth otherwise in these T&C's including the following provisions, we shall be liable for violations of contractual or non-contractual obligations in accordance with statutory provisions.



(2) We are only liable for damages - for what legal reason whatsoever - based on fault-based liability in case of intent or gross negligence. In case of ordinary negligence we are liable in accordance with statutory provisions, provided no less strict regime for liability applies (e.g. *diligentia quam in suis rebus*), only

a) for damages in relation to injuries to life, body or health, and / or

b) for damages resulting from a not insignificant violation of the material contractual duty (an obligation, the fulfillment of which is necessary for the proper performance of the contract and upon which the contractual partner usually relies and may rely); in this case, our liability is limited to compensation of the predictable, typical damage.

(3) The limitations of liability under para 2 hereof shall also apply for breaches of duty by respectively in favor of persons, for whose fault we are liable in accordance with statutory provisions. The limitations of liability shall not apply, if we have fraudulently concealed a defect or granted a guarantee for the quality of the Goods, as well as for claims of the Customer under the German Product Liability Act.

(4) The Customer can only rescind or terminate because of a breach of duty which does not constitute a defect if we are at fault for the breach of duty. An unrestricted right of the Customer to terminate (in particular pursuant to sections 651, 649 German Civil Code) is excluded. Otherwise, the statutory prerequisites and legal consequences shall apply.

§ 9 Statute of Limitations

(1) In deviation from section 438 para 1 number 3 German Civil Code, the general statute of limitation for defects shall be one year from delivery. In case acceptance is agreed, the limitation period shall start with acceptance.

(2) Specific statutory rights regarding the statute of limitation (in particular the section 438 para 1 number 1, para 3, sections 444, 479 German Civil Code) shall remain unaffected.

(3) The aforementioned statutes of limitation under the law for sale and purchase (*Kaufrecht*) shall apply for all contractual and non-contractual damage claims based on the defect of the Goods, unless the application of the regular statutory statute of limitation (sections 195, 199 German Civil Code) leads to a shorter statute of limitation in the individual case. Damage claims of the Customer pursuant to section 8 para 2 sentence 1 and sentenced 2.a) and claims under the German Product Liability Act should only become statute-barred in accordance with the statutory statutes of limitation.

§ 10 Governing Law, Venue

(1) These T&C's and all legal relations between us and Customer shall be governed by the laws of the Federal Republic of Germany, excluding international uniform law, in particular the Convention on Contracts for the International Sale of Goods (UNCISG).

(2) In case Customer is a businessman within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, exclusive and also international venue for all disputes arising directly or indirectly from the contractual relationship shall be Hannover, Germany. This shall apply analogously if Customer is an entrepreneur within the meaning of section 14 German Civil Code. In all cases we remain entitled to file a claim at the place of performance pursuant to these T&C's respectively an overriding individual agreement or at the general venue of Customer. Overriding statutory provisions, in particular with regard to exclusive venues, shall remain unaffected.