

## **1. Scope**

1.1 Your delivery of goods and services to us shall be based exclusively on these General Terms and Conditions for the Purchase of Goods.

1.2 Your conflicting terms and conditions shall not apply even if we do not expressly object to them or accept goods without reservations.

## **2. Orders**

2.1 Our orders and any changes and additions to the orders must be made in writing.

2.2 We are entitled to cancel our order free of charge if you do not confirm our order in unmodified form within 2 weeks after receipt.

## **3. Time-limits, consequences of delay**

3.1 Agreed time-limits for deliveries of goods and services shall be binding. If delays are expected or occur you shall immediately notify us in writing.

3.2 If you fail to deliver or perform within an additional period of grace set by us, too, we shall without prior notice be entitled to refuse acceptance, rescind the contract or demand compensation for non-performance. We shall be entitled to rescind the contract even if the delay was not your fault.

3.3 In the case of delivery default, we shall be entitled to demand a contractual penalty in the amount of 0.5% of the delivery value per full week, however, not more than 10%. We shall be entitled to assert a contractual penalty alongside performance; we shall be obligated to declare the reservation of a contractual penalty not later than within 10 business days, calculated from the time of receipt of the late delivery. Further claims and rights shall remain reserved.

## **4. Prices**

Prices shall be fixed prices. They shall include all expenses in connection with the goods and services provided by you.

## **5. Execution, delivery**

5.1 You may only subcontract with our consent, unless such contracts are merely for the supply of standard parts. Delivery call orders shall be binding with regard to the nature and quantity of the goods ordered and the delivery time. Partial deliveries shall require our consent.

5.2 All deliveries must be accompanied by a delivery note stating our order number as well as details of the nature and quantity of the contents.

5.3 In the event that equipment is delivered, a technical description and instructions for use shall be included free of charge. In case of software products, the delivery obligation shall only have been met once all the (systems and user) documentation has also been delivered. For programs that are specifically developed for us, the program shall also be delivered in source format.

## **6. Invoices, payments**

6.1 Invoices shall be presented to us with separate post; they shall state our order number.

6.2 Your entitlement to payment shall be due at the earliest on receipt of the goods and your invoice. Payment shall be deemed to have taken place on the day our bank has received the transfer order or the day the check has been sent off.

6.3 Payments shall not be deemed as acknowledgement that the good or service is in accordance with the contract. In the event that a good or service is defective or incomplete, we shall be entitled, without prejudice to our other rights, to withhold an reasonable amount of payments with regards to debts based on the business relationship until you have performed in accordance with your contractual obligations.

6.4 The cession of your claims against us to third parties shall be excluded.

6.5 We shall not be in default of payment for the reason that we have not paid within 30 days after the due date and receipt of an invoice or equivalent payment document. In case the date of the receipt of the invoice or payment document is uncertain, we shall not be in default of payment, if we have not paid within 30 days after the due date and receipt of the delivery.

## **7. Safety, environmental protection**

7.1 Your goods and services must comply with the statutory provisions, especially the provisions relating to safety and environmental protection, including the regulations on hazardous substances, the ElektroG (German Law on the Marketing, Return and environmentally friendly Disposal of Electric and Electronic Equipment) and with the safety recommendations of competent German professional bodies or organizations, such as VDE, VDI and DIN. The relevant certificates and documents must be supplied free of charge.

7.2 You shall be obliged to determine and comply with the currently applicable directives and laws with regards to restrictions on hazardous substances for your components. You shall be obliged not to use banned substances. You shall specify all substances to be avoided and all dangerous substances. If applicable you shall specify safety data sheets (at least in German or English) with your offers and with the delivery note of your first delivery. If you have any evidence that your delivery has violated restrictions on substances or contained banned substances you shall be obliged to immediately inform us.

7.3 No ozone-depleting substances (e.g., CFC, carbon tetrachloride, 1.1.1 trichloroethane) may be used in the manufacture of goods and packaging delivered to us.

7.4 With respect to deliveries and the performance of services you alone shall be responsible for compliance with regulations for the prevention of accidents. Any necessary safety equipment and manufacturer's instructions shall be supplied free of charge.

## **8. Import and export provisions, customs**

8.1 For goods and services from a country (other than Germany) that is within the EU, the EU value added tax identification number shall be quoted.

8.2 You shall be obliged to provide at your own expense, the required declarations and information under Regulation (EC) No. 1207 / 2001, allow checks to be performed by customs officials and furnish the requisite official letters of confirmation.

8.3 In your order confirmation or invoice you shall identify items that require an export license or are subject to US re-export regulations.

8.4 Imported goods shall be delivered duty paid.

## **9. Passage of risk, acceptance, title**

9.1 Irrespective of the agreed price terms the risk passes to us in case of delivery without installation or assembly upon receipt at the delivery address we have given and in the event of delivery with installation or assembly upon successful completion of our acceptance. Commissioning or use shall not replace our declaration of acceptance.

9.2 We shall acquire property of the delivered goods after payment. Any elongated or extended retention of title shall be excluded.

## **10. Obligation to examine goods and notify defects, expenses**

10.1 We shall be obligated to inspect the goods for identifiable damage and quantity deviations within an adequate period after deliver. Notice of defect regarding obvious defects shall be punctual if it has been dispatched by us within three business days after delivery of the goods and it is subsequently delivered to you. Notice of defect regarding defects that only come to light after a proper investigation shall be punctual if we dispatch this within two weeks after delivery of the goods and it is subsequently delivered to you. Notice of defect for hidden defects shall be punctual if it is dispatch within two weeks of their discovery and it is subsequently delivered to you.

10.2 If we return defective goods to you we shall be entitled to debit back to you the invoice amount paid plus a lump sum for expenses of 5% of the price of the defective goods, but no more than € 250.00 for each return consignment. We reserve the right to proof higher expenses. Your right to proof lower or no expenses shall be reserved.

## **11. Warranty of defects of quality and title**

11.1 Defective deliveries must be replaced immediately by deliveries that are free from defect, and faulty services must be repeated faultlessly. In the event of development or design General Terms and Conditions for the Purchase of Goods 2007 engineering defects we shall be entitled to immediately assert the rights provided for under section 11.3.

11.2 You shall require our consent to repair defective goods or services. You shall bear the risk during the time in which the good or service to be delivered is not in our possession.

11.3 If you fail to remedy the defect within an additional appropriate period of grace that we have set we shall be entitled at our own discretion to rescind the contract or reduce remuneration and additionally in either case to demand compensation of damages.

11.4 In urgent cases (especially where operating safety is in jeopardy or for the purposes of preventing an exceptionally high damage or loss), for the removal of insignificant defects and in the event that you are in default of remedying a defect, we shall be entitled, after notifying you and after an equitable short period of grace has expired, to remedy the defect and any resultant damage or loss ourselves or through third parties at your expense. This shall also apply if you deliver the good or service late and we have to remedy defects immediately so that we do not miss our own delivery deadlines.

11.5 The warranty period for defects of quality shall be 36 months as from the passage of risk in accordance with section 9. The expiry of the warranty period shall be suspended from the date of notification of defects until we receive a faultless good or service.

11.6 If you have to deliver or perform in accordance with our plans, graphs or other specific demands, you expressly guarantee the conformity with our demands. If delivery or performance deviates from the demands we shall immediately have the rights under section 11.3.

11.7 Our statutory rights shall in any case be reserved.

## **12. Repeated default**

If, after receipt of a warning letter, you are again late in supplying essentially identical or similar goods or services, or such goods or services are again defective, we shall immediately be entitled to rescind the contract. In this case we shall be entitled to rescind contracts with regards to future delivery of goods and services on basis of this or another contractual relationship, too.

## **13. Indemnification in the event of defects**

You shall indemnify us against all claims raised against us by third parties – for whatever legal reason – due to a defect of quality or title or another defect of a product delivered by you and shall also reimburse our expenses necessary for the defense against the claims.

## **14. Technical documentation, tools, means of production**

14.1 All technical documents, tools, in-house standard sheets, means of production, etc., that we provide shall remain our property; all copyrights shall remain with us. They, together with all duplicates that you may have been made, must automatically be returned to us as soon as the order has been executed. You shall not be entitled to assert a right of retention in this respect. You may only use the said objects to implement the order. You may not pass them on, or make them otherwise accessible, to unauthorized third parties. The said objects may only be duplicated in so far as it is necessary for the execution of the order.

14.2 In the event that you wholly or partly create the objects mentioned in sentence 1 of section 14.1 for us at our expense, section 14.1 shall apply accordingly. We shall own the objects on a pro rata basis according to our share of the costs of manufacture, and you shall keep these objects safe for us free of charge; we may, at any time, acquire your rights in respect of the object by compensating for expenses that have not yet been amortized and reclaim the object.

## **15. Provision of materials**

15.1 Material that has been provided by us (raw materials, parts, etc.) shall remain our property and is to be kept separately by you from your other property with the care of a prudent businessman and identified as our property. It may only be used for the implementation of our order.

15.2 If the material provided by us (raw materials, parts, etc.) should be damaged or destroyed, you shall be obligated to provide compensation. In this case, we shall reserve the right to withdraw from the contract without notice, without being entitled to a claim for cost compensation.

15.3 If you should process the material provided (raw materials, parts, etc.) or reshape it, this activity shall take place on our behalf. We shall become the direct owner of the new items thereby created. If the provided material should only form part of the new items, we shall be entitled to co-ownership of the new items, in the proportion that corresponds to the value of the provided material included in them.

**16. Confidentiality**

16.1 You shall be obliged to handle information obtained from us in connection with an order in confidence and shall not pass it on to third parties, unless you can prove to us that you already knew this information or that it was subsequently made available to you by an authorized third party not bound by confidentiality or that it was, or subsequently became, generally available without you being responsible.

16.2 Our prior written consent shall be required for the manufacture for third parties and exhibition of products manufactured specifically for us, especially those made according to our drawings and manufacturing specifications, for publications relating to ordered goods and services and for references to this order towards third parties.

16.3 We point out that personal data in relation to our contractual relationship may be stored by us and may be transferred to companies associated with us in the corporate group, too.

**17. Miscellaneous**

17.1 The place of performance shall be the given delivery address.

17.2 The place of jurisdiction, provided that you are a businessman, shall be the place of business of the Hittech PRONTOR GmbH company using these general terms and conditions. However, we may also take legal action against you at your place of business.

17.3 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).

17.4 Should any of the clauses of these General Terms and Conditions be wholly or partially invalid, the validity of the remaining clauses or parts thereof shall not be affected.