

The RR Elektronik GmbH, Zeppelinstraße 8, 75446 Wiernsheim

general terms of business and terms of sale between companies – as of: 12/2004

§ 1 General

- (1) The following dates and delivery conditions are exclusively valid for all deliveries and other services and performances; they only apply to companies in the sense of § 310 (1) in conjunction with § 14 of the German Civil Code.
- (2) Your deviating conditions that we have not explicitly acknowledged are non-binding even if we have not explicitly objected to them.
- (3) Our business terms also apply to subsequent orders, even if an explicit agreement has not been additionally met for them.
- (4) Incorporation and interpretation of these sales and delivery conditions as well as conclusion and interpretation of legal transactions with you are regulated exclusively in accordance with the laws of the Federal Republic of Germany. Application of the Uniform Code on the Formation of Contracts for the International Sale of Movable Goods and the United Nations Convention on Contracts for the International Sale of Movable Goods is excluded.
- (5) If one of the stipulations in this contract is inoperative or null and void, the effectiveness and validity of the rest of the regulations are not affected. The contract partners are obliged to replace the inoperative clause by an effective one with which the same commercial success is achieved as far as possible insofar as this does not represent a significant change in the contractual relation; the same applies if regulatory action for circumstances is not expressly dealt with.

§ 2 Offers, scope of performance and services and contract conclusion

- (1) Our offers are non-binding.
- (2) Our order confirmation is exclusively authoritative for the scope of the contractually owed services and performances.
- (3) We reserve the right to make modifications to the construction, the choice of materials, the specifications and the design even after sending an order confirmation provided that these modifications neither contradict the order confirmation nor your specifications. Furthermore, you declare yourself in agreement with our additional modification suggestions provided these are not unreasonable for you.
- (4) The documents such as illustrations, drawings, dimensional and weight specifications underlying the offer or order confirmation are to be generally understood merely as approximate values, insofar as they are not explicitly designated as obligatory.

§ 3 Prices and terms of payment

- (1) Our prices apply in Euro plus the legally valid value added tax and are ex-factory, exclusive of packing and other dispatching and transport expenses. The prices indicated in our offer or our order confirmation are always applicable for invoicing. Packaging is calculated at the prime cost and can only be taken back if we are obligated to do so by virtue of binding legal regulation.
- (2) If the delivery takes place more than 4 months after contract conclusion and we are not responsible for the delay in delivery we can make a suitable price increase in consideration of the arising material, wage and other related extra costs that we need to bear. If the purchase price increases by more than 40 %, you are entitled to withdraw from the contract.
- (3) When we consider your modification desires, you will be charged the hereby-arising additional costs.
- (4) Our invoices are due for settlement 10 days after the date of invoice with 2 % discount or within 30 days net without any discount.
- (5) In case of culpable infringement of the period allowed for payment, interest in the amount of 8 % over the base interest rate applicable at that time will be demanded with the right reserved to enforce further reaching claims.

§ 4 Withholding of payments and right of retention

Withholding of payments and retention are not permitted unless the compensation demand is uncontested or has been legally established. You can only assert the right of retention if your counterclaim is based on the same contract relation.

§ 5 Delivery

The specification of a time of delivery is made based on our best judgment and is suitably extended if your necessary or agreed-to collaborative actions are delayed or neglected. The same applies to measures in the context of industrial disputes, especially strikes and lockouts, in cases of unforeseen obstacles lying outside of our volition, e.g., a supplier's delay of delivery, traffic delays and work stoppages, lack of materials or energy, etc. Any modifications to the delivered goods that you have instigated lead to a suitable extension of the delivery deadline. Claims for damages are prohibited unless accountable to us for reasons of gross negligence or intent. Partial deliveries are allowed.

§ 6 Returns

Regardless of the reason, we can accept returns only after we have previously consented. The delivery is to be properly packed. You need to pay the freight charges. Please include a waybill with the return delivery, including the reason for return, the delivery note number, the catalogue no., the date of delivery, and the order number. If the goods are being returned or exchanged for reasons for which we are not culpable, we will charge you 30% of the value of the goods or at least 75.00 Euros to cover arising costs. Custom-made products and modified parts as well as damaged articles are excluded from return or exchange.

§ 7 Industrial protective rights

The illustrations, photographs, drawings, etc. included with our offers and deliveries remain our property and may not be reproduced, utilized, or made accessible to third parties in any form whatsoever without our previous explicit consent.

§ 8 Transfer of risk

The risk is transferred to you – even in the case of „post paid“ deliveries – when the delivered goods leave our factory premises; in case of delays resulting from circumstances for which we are not responsible or, if you wish, at the time of readiness for dispatch. However, we always take out transportation insurance in your name and at your cost.

§ 8 Reservation of proprietary rights

- (1) We reserve the ownership of the delivered goods until payment is complete. The reservation of proprietary rights also applies until all, even future and conditional demands arising from our business relationship have been fulfilled.
- (2) If we accept return of goods, this is only considered a withdrawal from the contract if we have explicitly confirmed this in writing. However, if goods are seized for us, this always means a withdrawal from the contract.
- (3) You are not entitled to a transfer of ownership by way of security or pledging the goods. However, you are entitled to resell the reserved goods during orderly business transactions. You herewith hand over to us the demands on your business partners arising from this. We are to be notified immediately in writing including all details about risks to our rights resulting from seizures and any other risks arising from third parties that we need for interference proceedings. You are liable for the amount of the losses insofar as we suffer losses because a third party cannot raise the court and extra-judicial costs owed us due to an interference proceeding.
- (4) If you process or work the goods, the proprietary rights cover the entire new object. We acquire shared property to the fraction that corresponds to the ratio of the value of our goods to the goods we have supplied.
- (5) If the value of all securities existing for our benefit exceeds the existing sustaining demands by more than 10 %, we will release the securities of our choice upon your request.
- (6) We are entitled to enforce reservation of property rights without withdrawing from the contract.

§ 9 Claims due to defects

- (1) If the purchase is a commercial business transaction for both parties, you are to inspect the goods immediately upon receipt insofar as this is expedient according to proper business routine, and, if a defect appears to inform us immediately, latest 14 days after receipt of the goods. If you fail to make this notification, the goods are considered approved unless this concerns a defect that was not detectable during the inspection. Apart from that, legal stipulations in §§ 377 ff. HGB (German Commercial Code) apply.
- (2) We only provide a warranty against defects in our products regarding fabrication and/or material defects. The prerequisite is exact compliance with our operating regulations. Our liability does not cover damage or harm due to natural wear and tear, improper handling, operating errors, mechanical, chemical, electrochemical or physical influences or improper intervention. Interventions in or modifications to our products carried out by you or third parties result in the immediate expiration of the guarantee.
- (3) We initially perform subsequent specific performance for defects in the goods through repair, or a replacement delivery as we choose. If the subsequent specific performance fails within a reasonable deadline, you can choose to demand a reduction in reimbursement (depreciation) or cancellation of the contract (withdrawal). You do not have the right to withdraw in cases of slight breach of contract, especially in case of negligible defects. We do not acknowledge third parties repair costs.
- (4) Enforcement of claims for damages for deliveries not made within the agreed time or other positive breaches of contract is precluded. This only applies to the extent that neither we nor our legal representatives or agents are not guilty of gross negligence or intent. The same applies to claims for damages, rights to cancellation of sale and rights to depreciation for consequential damage or harm of any kind whatsoever, regardless of the cause they are based on. You are not entitled to cede your claims for damages.
- (5) The claims due to defects come under the statute of limitations two years after delivery of the purchased object.

§ 10 Liability

Your rights to damage claims are excluded. This does not apply in cases of gross negligence, our infringement of significant contractual duties or assumption of guarantee.

§ 11 Place of fulfilment and jurisdiction

- (1) The place of fulfilment for all obligations resulting indirectly or directly from this contract relation, including liability to pay, is our company headquarters.
- (2) The legal domicile for our company headquarters is our company's competent place of court.