

**General Purchase Terms and Conditions
of EB Electronic Michael Czech GmbH, Wendlingen am Neckar**

Section 1 Scope of Application, Form

- (1) The present General Purchase Terms and Conditions shall apply to all our business relations with our business partners and suppliers ("Sellers"). The Purchase Terms and Conditions apply only, if Seller is an entrepreneur (Section 14 BGB) [German Civil Code], a legal entity under public law or special funds under public law
- (2) The Purchase Terms and Conditions shall apply in particular for contracts on the sale and/or delivery of movables ("goods"), irrespective of whether Seller produces the goods itself or purchases it from sub-suppliers (Sections 433, 651 BGB).
- (3) The present Purchase Terms and Conditions apply exclusively. Different, contrary or supplementary General Terms and Conditions of Seller only become an integral part of the contract, if we expressly agreed to their application in writing. This requirement for agreement shall apply in any case, for example, also if we, by knowing the General Terms and Conditions of Seller, accept its deliveries without reservation.
- (4) Individual agreements made with Seller on a case-by-case basis (including side agreements, amendments and modifications), in any case, take priority over the present Purchase Terms and Conditions. For the content of such agreements, subject to counter-evidence, a written contract and/or our written confirmation is authoritative.

Section 2 Contract Conclusion

- (1) Our order shall be deemed to be binding at the earliest upon written declaration or confirmation. Before acceptance, Seller must point out to us obvious errors (e.g. clerical errors, calculation errors) and incompleteness of the order including order documentation for the purpose of correction and/or completion; otherwise the contract shall not be deemed to have been concluded.
- (2) Seller shall confirm our order within a time period of 2 weeks in writing or in particular carry out the order without reservation by shipment of the goods (acceptance).

A late acceptance shall be deemed to be a new offer and requires acceptance by us.

Section 3 Form for Seller's Declarations

Legally relevant declarations and notifications by Seller with respect to the contract (e.g. deadline, reminder, withdrawal) must be made in writing, i.e. in written form or in text form (e.g. letter, e-mail, fax). Statutory formal requirements and further evidence, in particular in the case of doubts regarding legitimation of the declarant remain unaffected.

Section 4 Delivery Time and Delay in Delivery

- (1) The delivery time specified by us in the order is binding. If the delivery time is not specified in the order and has not been agreed upon otherwise, it shall be 1 week as from contract conclusion.
- (2) If Seller does not provide its service or does not provide its service within the agreed upon delivery time, or if Seller will be in delay, our rights - in particular to withdraw from contract and to claim damages - shall be governed by statutory provisions. The provisions in paragraph 3 remain unaffected.
- (3) If Seller is in delay, we shall be entitled, in addition to further statutory claims, to demand liquidated damages caused by delay in the amount of 1% of the net price per completed calendar week, but in total not more than 5% of the net price of the goods delivered late. We reserve the right to prove that a higher damage has been incurred. Seller has the right to prove that no damage at all or a considerably smaller damage has been incurred.

Section 5 Service, Delivery, Passing of Risk

- (1) Without our prior written approval, Seller shall not be entitled to have third parties (e.g. subcontractors) provide the service owed by Seller. Seller shall bear the risk of procurement for its services, unless otherwise agreed upon on a case-by-case basis (e.g. limitation to stock).
- (2) Delivery occurs within Germany "free domicile" to the place specified in the order. If the place of destination is not indicated and unless otherwise specified, delivery must be made to our registered offices at Wendlingen am Neckar. The respective place of destination is also the place of performance for the delivery and a possible subsequent performance (obligation to be performed at the creditor's place of business).
- (3) A delivery note specifying the date (issue and shipment), content of the delivery (article number and quantity) and our order identification (date and number) must be included in the delivery. If the delivery note is lacking or is incomplete, we shall not be responsible for resulting delays of processing and payment. Separately from the deliver note, a corresponding dispatch note with the same content must be sent to us.

- (4) The risk of accidental loss and accidental deterioration of the goods passes on to us with handing over at the place of performance. If acceptance has been agreed upon, this is authoritative for the passing of risk. Handing over and/or acceptance shall be equivalent to our being in default of acceptance.

Section 6 Prices and Payment Terms

- (1) The price specified in the order is binding. All prices are to be understood including statutory V.A.T., if it is not shown separately.
- (2) Unless otherwise agreed upon on a case-by-case basis, the price includes all services and additional services by Seller (e.g. assembly, installation) as well as all additional cost (e.g. appropriate packaging, transport cost including possible transport insurance and third party liability insurance).
- (3) The agreed upon price is due for payment within 30 calendar days as from full delivery and service (including an agreed upon acceptance, if applicable) as well as receipt of a proper invoice. If payment is made by us within 14 calendar days, Seller grants to us 3% discount on the net invoice amount.
- (4) We do not owe any maturity interest. With respect to delay in payment, the statutory provisions apply.

Section 7 Confidentiality and Retention of Title

- (1) We reserve ownership and copyrights in illustrations, plans, drawings, calculations, implementation instructions, product descriptions and other documents as well as in objects supplied by us (such as substances, materials and tools). Such documents shall exclusively be used for the contractual performance and must be returned to us after completion of contract. The documents must be kept confidential vis-à-vis third parties also after termination of the contract. The confidentiality obligation will expire only when and insofar as the knowledge contained in the documents handed over has become general knowledge in the public domain.
- (2) Processing, mixing or combination (further processing) of supplied objects by Seller is made for us. The same applies in the case of further processing of the supplied goods by us so that we shall be deemed to be the manufacturer and at the latest with further processing obtain ownership in the product in accordance with statutory provisions.
- (3) Transfer of ownership in the goods to us shall be made unconditionally and irrespective of payment of the price.

Section 8 Liability for Defects, Warranty

- (1) We shall be entitled to statutory warranty rights in an unlimited way. In particular, we are entitled, at our discretion, to demand elimination of the defect or delivery of an object free from defects and/or compensation.
- (2) In case of imminent danger we are entitled, after giving corresponding notification to Seller, to remedy the defect ourselves at the expense of Seller.
- (3) Warranty claims for defects become time-barred in accordance with statutory provisions, but in derogation of Section 438 subsection 1 no. 3 BGB, the general statute of limitations for claims based on defects is three years as from passing of risk. Insofar as acceptance has been agreed upon, the statute of limitations starts with acceptance. Insofar as we are also entitled to non-contractual claims for damages due to a defect, the regular statutory statute of limitations applies to it, unless application of the statutes of limitation of sales law leads to a longer statute of limitations.

Section 9 Manufacturer's Liability

- (1) If Seller is responsible for a product damage, it must indemnify us against third party claims insofar as the cause is in its field of control and organisation, and Seller is itself liable in external relationship.
- (2) Under its obligation to indemnify, Seller must reimburse any expenses pursuant to Sections 683, 670 BGB which result out of or in connection with claims put forward by third parties, including any recall campaigns carried out by us. We will inform Seller on the content and scope of recall campaigns, as far as possible and reasonable, and give it the opportunity to make a statement. Further statutory claims remain unaffected.
- (3) Seller shall effect and maintain a product liability insurance with a global coverage of at least 10,000,000.00 million EUR per personal injury/material damage. Any further claims for damages remain unaffected.

Section 10 Rights of Set-off and Retention

- (1) We are entitled to rights of set-off and retention in an unlimited way.
- (2) Set-off or retention against our claims from the contract with Seller and associated non-contractual claims is only admissible with counterclaims due which are undisputed, established as final or ready for decision. This does not apply to Seller's claims which are in a synallagmatic relationship with our claims.

Section 11 Conclusions

- (1) The present Purchase Terms and Conditions and the contractual relationship between us and Seller shall be governed by the laws of the Federal Republic of Germany to the exclusion of the international uniform law, in particular the UN sales law.
- (2) If Seller is a merchant within the meaning of the commercial code, a legal entity under public law or special funds under public law, our registered offices at Wendlingen am Neckar has exclusive as well as international jurisdiction for all disputes arising indirectly or directly out of the contractual relationship. But in all cases we are also entitled to take legal action at Seller's general place of jurisdiction. Overriding statutory provisions, in particular on exclusive jurisdictions, remain unaffected.
- (3) Invalidity of individual contractual clauses, regardless of whether these are general terms and conditions or individual provisions, does not otherwise affect validity of the contractual relationship.

EB Electronic Michael Czech GmbH, Wendlingen am Neckar