

# General Terms & Conditions of Service

of Gleichmann & Co Electronics GmbH, Schraderstrasse 44, 67227Frankenthal



Version: June 2009

## § 1 Scope

(1) For all contracts regarding any deliveries and services concluded with a customer as well as pre-existing contractual obligations in this regard, these General Conditions of Service shall apply exclusively, unless otherwise expressly agreed. No other terms and conditions may be construed as being the subject matter of contract, even if we do not specifically contradict them. This shall also apply in the event that we, being aware of conflicting or differing terms and conditions, perform our services to the customer without reservation or referring to these conditions in individual correspondence.

(2) Even if not expressly referred to when similar contracts are concluded in ongoing business relations, the General Conditions of Service shall solely apply in the same version as those which can be downloaded by the customer from [www.msc-ge.com/alb](http://www.msc-ge.com/alb) upon placement of an order, unless otherwise expressly agreed upon between the contractual partners in writing. The latest printed version of the General Conditions of Service will be sent to the customer free of charge on request.

(3) These General Conditions of Service shall apply solely vis-à-vis business enterprises, legal persons or special funds under public law within the meaning of §310, para. 1 BGB (German Civil Code).

## § 2 Conclusion of Contract

(1) Our offers are subject to confirmation and non-binding, unless the offer is declared in writing to be binding. The customer shall be bound to statements in connection with the conclusion of a contract (contractual offers) for three weeks.

(2) A legally binding relationship shall only come into existence by means of a mutually signed contract or by our written confirmation of the order, and upon commencement of rendering the contractual services on our part. We can demand written confirmation of verbal acceptance of the contract by the customer.

## § 3 Subject Matter of the Contract

(1) A mutually signed contract, our confirmation of the order or our offer are binding with regard to the scope, type and quality of deliveries and services. Other specifications or requests shall only be an integral part of the contract if the contractual partners mutually agree on this in writing or if confirmed by us in writing. Any subsequent changes to the scope of services shall require written agreement or our explicit written confirmation.

(2) Product descriptions, illustrations and technical data are specifications of services, but do not constitute warranties. Any warranty must be expressly stated as such in writing.

(3) We reserve the right to make minor modifications to services, insofar as these modifications are of a minor nature, which can be reasonably imposed on the customer. Any commercially customary deviations in quality, quantity, weight or other deviations are to be accepted by the customer, even if he refers to brochures, illustrations or pictures when placing an order, unless explicitly agreed upon as binding.

## § 4 Time of Performance, Delays, Partial Performances, Place of Performance

(1) Any information with regard to time of delivery and performance shall be non-binding, unless otherwise declared by us in writing. All terms of delivery and performance are subject to correct and timely availability of supplies and raw materials. Terms of delivery begin with the dispatch of the confirmation of the order by us, however not before all commercial and technical questions between the customer and us have been clarified and the customer has fulfilled all incumbent duties (e.g. provision of all necessary official authorisations; approvals or supply of stipulated down payment).

(2) Terms of delivery and performance shall be extended by the period of time in which the customer is in default of payment under the terms of the contract and as long as circumstances for which we are not responsible prevent us from rendering delivery or service, and shall be extended by a reasonable time subsequent to the end of the delay. These circumstances include Force Majeure, shortage of raw materials at relevant commodity markets, any delays caused by our suppliers and industrial disputes. Periods shall also be prolonged by any such time in which the customer violates the contract by not meeting his obligations in violation, e.g. by not providing a necessary item of information, access, a supply or staff.

(3) If the contractual partners subsequently agree to perform different or additional services affecting the stipulated terms, these terms shall be prolonged by a reasonable period of time.

(4) Any reminders and setting of deadlines on the part of the customer must be in writing in order to be effective. A period of grace granted must be of an appropriate nature. A period of less than two weeks shall only be appropriate in case of special urgency.

(5) We are entitled to make partial deliveries, inasmuch as the delivered parts can be reasonably used by the customer. We reserve the right to deliver excess or short supplies of up to 5 % of the scope of delivery.

(6) Stipulated dates of delivery shall be regarded as having been adhered to, as soon as the goods have been handed over to the carrier on the agreed date of delivery or as soon as their actual readiness for shipment has been announced by us.

(7) In the event that our supplier (definitively) fails to deliver despite careful selection on our part, and the order complies with the requirements of our obligation to supply, we shall be entitled to full or partial withdrawal vis-à-vis the customer, if we announce the non-delivery to the customer and – as far as this is admissible – offer the assignment of the claims against the supplier to the customer.

(8) The place of performance of training sessions and consulting services is the place where the training sessions / consulting shall take place. Otherwise, our head office is the place of performance.

## § 5 Packing, Dispatch, Passing of Risks, Insurance

(1) Our deliveries shall be packed according to custom and usage at the customer's expense.

(2) The risk is transferred to the customer as soon as the product has left our factory or warehouse. This also applies to partial deliveries, subsequent deliveries and further services carried out by us, including any forwarding charges or delivery to the customer's premises. In case a contract for work exists which requires acceptance, risk is passed on acceptance.

(3) The selection of mode of dispatch, the carrier and route of transport shall be selected by us, if no other written specifications have been made to the customer. With regard to this selection, we shall only be held liable in case of intent or gross negligence.

(4) At the customer's explicit request, an insurance of the goods delivered shall be taken out at the customer's expense to cover the risks identified by the customer, inasmuch as this is feasible with reasonable time and effort for us.

## § 6 Prices, Compensation, Payment, Offset

(1) All prices are valid ex works unless otherwise agreed upon by the contractual partners. All prices and compensations are net plus the applicable value added tax and other taxes applicable in the country of delivery, as well as plus transportation costs, expenses, packing, dispatch and, if applicable, insurance of goods in transit. Any additional services requested by the customer shall be invoiced on a time and material basis.

(2) Unless otherwise agreed upon by the contractual partners, payments are due without discount immediately after performance and customer's receipt of invoice and payable within 14 days on condition that the credit sale insurance company has a sufficient credit limit. If the credit limit is not sufficient, we reserve the right to demand cash before delivery.

(3) Bills of exchange and cheques shall on principle not be accepted, and if at all only for undertaking to pay.

(4) If the customer is in default of payment, he shall be required to pay interest of eight percentage points above the currently applicable basic interest rate. This does not affect the right to claim damages for further damage caused by the delay.

(5) If the customer is in default of payment for longer than 30 calendar days, bills of exchange or cheques are protested or if insolvency proceedings or comparable proceedings under other legal systems are filed against the customer's assets, we shall be entitled to immediately call all accounts receivable against the customer due and payable, to withhold all deliveries and services, and to assert all reservations of proprietary rights.

(6) The customer shall only be entitled to offset our claims against claims undisputed by us or legally binding. Apart from § 354 a HGB (German Commercial Code), the customer shall be entitled to assign rights to a third party only after our prior written confirmation, which cannot be unreasonably denied. The customer shall only have a right of retention or the defense of non-performance within the respective contractual relationship.

(7) We reserve the right (inasmuch as the goods are not to be delivered or services rendered within four months after conclusion of the contract) to increase our prices, if cost increases occur after conclusion of the contract, particularly with regard to labour agreements and material price increases. On request we will prove these increases to the customer.

(8) If the purchase price is given in a foreign currency, the customer shall bear the risk of a worsened exchange rate ratio in relation to the euro for the period of the contract.

## § 7 Retention of Title

(1) Our services remain our property until full payments of all debts arising from the business relation with the customer under the contract have been received. Among these debts are those from drafts and bills of exchange as well as debts from open accounts.

(2) The customer shall be obliged to treat the goods that are subject to retention of title with care as long as the retention of title lasts. He is also obliged to insure the goods at his own expense against damage caused by fire, water and theft at the reinstatement value. The customer agrees to assign any claim for damage arising from this insurance to us in advance. We hereby accept the assignment. If the assignment is not permissible, the customer shall hereby irrevocably instruct his insurance company to effect any payments solely to us. Any further claims that we may have remain unaffected. Upon our request, the customer shall be obliged to prove the signing of the insurance policy to us.

(3) The customer shall be allowed to sell the goods subject to retention of title only in the regular course of business. The customer shall not be entitled to pledge the goods subject to retention of title, transfer them by way of security or make other arrangements that endanger our property. In the event of seizure or other third party interventions, the customer shall be obliged to inform us immediately in writing and provide the necessary information, to inform the third party about the rights of ownership and to assist us in our activities to protect the goods subject to retention of title. The customer shall bear any costs incurred by him, which may be due in order to cancel the seizure of the goods or to replace the goods, insofar as these costs cannot be recovered from a third party.

(4) The customer agrees to immediately assign all outstanding debts from re-sale of the goods and all ancillary rights to us, regardless of whether the goods subject to retention of title were sold without or after processing. We hereby accept this assignment with immediate effect. If the assignment is not admissible, the customer shall hereby irrevocably instruct the garnishee, to effect any payments solely to us. The customer is revocably authorised to collect the debts assigned to us in a fiduciary capacity. The amount collected shall be paid to us immediately. We are entitled to revoke the customer's authorisation to collect the amounts due as well as the customer's authorisation to sell the goods, if the customer does not meet his payment obligations towards us.

# General Terms & Conditions of Service

of Gleichmann & Co Electronics GmbH, Schraderstrasse 44, 67227Frankenthal



if he is in default of payment, if he ceases payment or if insolvency proceedings are filed against the customer's assets. A re-sale of claims requires our prior consent. The notice of the assignment to the garnishee shall terminate the customer's collection authorisation. If the collection authorisation is withdrawn, we shall be entitled to demand from the customer to announce the assigned debts and their obligors, to provide all information required, to hand out the associated documents and to inform the obligors of the assignment.

(5) In case the customer's debts from the re-sale are transferred to a current account, the customer does also assign his claim against his customer from the current account to us right now, namely amounting to the stipulated purchase price of the goods sold subject to retention of title including VAT.

(6) If we assert our claims in accordance with to § 6 para. 5, the customer is immediately obliged to grant us access to the goods subject to retention of title, to send us a detailed list of all the existing goods subject to retention of title, to separate the goods for us and to surrender them to us upon request.

(7) The processing or alteration of the goods subject to retention of title by the customer shall be carried out solely for us. The customer's expectant right to the goods subject to retention of title shall carry forward to the processed or altered item. If the item is irrevocably processed, joined or mixed with other items not owned by us, we thereby become co-owner of the new item, reflecting the relation of the value of the delivered item relative to the other processed items at the time of processing. The customer shall keep the new item in safe custody for us. The item originating from the processing or alteration is thereby subject to the same regulations as the goods subject to retention of title.

(8) At the customer's request, we are obliged to release the securities that he is legally entitled to, if the realisable value of the securities in consideration of standard banking practice exceeds our claims resulting from the business relationship with the customer by more than 10 %. The assessment is based on the invoice value of the goods subject to retention of title and is based on the nominal value regarding claims.

(9) If any goods are delivered to countries with a different legal system, in which the regulations regarding retention of title do not guarantee the same degree of security pursuant to this § as in the Federal Republic of Germany, the customer shall hereby acknowledge the corresponding security right. If further declarations or actions are necessary, the customer shall provide these declarations and take action accordingly. The customer shall participate in all steps necessary for and beneficial to the efficacy and enforceability of these security rights.

## § 8 Contractual Commitment and Termination of Contract

(1) Only the following reasons shall entitle the customer to prematurely terminate the exchange of services ahead of time in case of a breach of duty on our part, regardless of the legal reason (e.g. to cancel the contract, claim damages instead of the service, termination for important reason) and in addition to the following legal requirements :

a) The breach of contract shall be specifically protested. The correction of the violation shall be requested within a stipulated time period. In addition, the threat shall be issued that after expiry of this period without results, no further services concerning the protested violation will be accepted and therefore the partial or complete exchange of services is to be terminated.

b) The period for correcting the violation must be adequate. A period of less than two weeks is only appropriate in case of special urgency. In case of serious and final refusal of performance or under other legal conditions (§ 323, para. 2 BGB) the setting of a deadline can be dispensed with.

c) The termination of the exchange of services (partially or completely) due to the inability to correct the violation can only be stated within three weeks after expiry of this period. The period is delayed during the duration of negotiations.

(2) The customer can only demand the rescission of the contract due to a delay in performance if we are exclusively or predominantly responsible for the delay, unless after assessing the different interests, the adherence to the contract cannot be reasonably imposed on the customer due to the delay.

(3) Any declarations made in this context require the written form in order to be effective.

(4) Notice of termination in accordance with § 649 BGB remains valid according to legal regulations.

(5) We are entitled to cancel the contractual relationship with immediate effect for the following reasons: if the customer has provided incorrect information regarding his credit worthiness or definitively discontinued payments or if proceedings have been filed against him for affirmation in lieu of an oath, if insolvency proceedings have been filed against the customer's assets or comparable proceedings under different law systems have been commenced or if an application to do so has been filed, unless the customer pays in advance without delay.

## § 9 General Duties of the Customer

(1) The customer is obliged to have all of our deliveries and services checked by a competent employee either immediately after delivery, or on receipt according to § 1, para. 1, or upon accessibility according to the regulations under commercial law (§ 377 HGB), and to send a notification of the recognized defects immediately and in written form, including a detailed description of the defect. (2) The customer acknowledges that we are dependent on his comprehensive support in order to provide the owed deliveries and services successfully and in a timely manner. The customer is therefore obliged provide all required information in a timely and thorough manner for the service to be rendered appropriately.

(3) The customer is obliged to test all deliveries and services thoroughly for usability in the specific application before starting commencing productive use and to perform functional tests before delivering his products to his customers. This also applies to software and other delivery items, which the customer receives free of charge within the terms of the warranty or a service contract.

(4) The customer shall secure data that can be affected, negatively influenced or endangered by our services at appropriate intervals in a machine- readable form and shall guarantee that these data will be retrievable with a reasonable effort.

(5) The customer shall take adequate precautions in case we partially or completely fail to provide our deliveries and services appropriately (e.g. by securing data, failure diagnosis, examination of the results on a regular basis, emergency planning).

## § 10 Limitation of Use, Indemnity

(1) Unless otherwise expressly agreed in writing, our services (particularly goods or software purchased from us or programmed by us) are not made for use in life-sustaining or life-supporting devices and systems, nuclear power plants, for military purposes, application in aeronautics or other purposes where malfunction of the product can, within reasonable estimation, lead to life-threatening situations or cause catastrophic consequential damage.

(2) If the customer violates para. 1, it is at the customer's own risk and sole responsibility. Upon first request, the customer shall hereby liberate both us and the respective producer from any liability resulting from the use of goods in the above mentioned contexts and indemnify and hold us harmless to full extent, including the cost of an appropriate legal defence.

## § 11 Material Defects

(1) Our services have the stipulated properties and condition, and are suitable according to the contractually agreed use, or in case there is no agreement, are fit for normal use. Without explicit further agreement, it is solely guaranteed that our services are free from defects according to the current state of the art. It is the customer's sole responsibility to guarantee the fitness and security of our services for a customer-supplied application. A negligible reduction in quality remains unconsidered.

(2) We guarantee that the delivered goods provide the features specified by the manufacturer or specified in writing by mutual consent in testable technical parameters. The delivered goods are exclusively designed for the use defined either by us or by the respective manufacturer. Solely the explicit specifications of the respective manufacturer are considered to be agreed properties and condition in accordance with § 434 BGB. (3) Liability is excluded:

if our products are not stored, installed, operated or used properly by the customer or a third party, in case of natural wear and tear,

if the product is not maintained properly,

if the product is used in connection with unsuitable equipment,

in case of defects caused by repairs or other work carried out by third parties, which were not expressly approved by us.

It is the customer's responsibility to prove that these exclusion criteria do not apply.

In addition, the customer's right to claim defects require that he has properly attended to his duties of examination and notice of non-conformity in accordance with §9 para. 1 and has protested hidden defects in writing immediately after their discovery.

(4) In case of material defects, we reserve the right to remedy first. The remedying of the defect shall be done according to our choice by correcting the defect, by delivering goods and/or services that do not have the defect, or by providing options on how to avoid the effects of the defect. At least two attempts to remedy a defect have to be accepted. The customer shall accept an equivalent new or earlier product version without defect as remedy if this can be reasonably imposed on the customer.

(5) The customer shall support us with regard to the analyzing and remedying the defect by precisely describing occurring problems, by informing us comprehensively and giving us the necessary time and opportunity to remedy it.

(6) We can demand payment if additional costs are incurred by us due to our products or services being altered or incorrectly operated. We can demand reimbursement of expenses if no defect is found. The burden of proof lies with the customer. § 254 BGB shall apply respectively. If expenses, including cost of transport, travel, work and material increase during the attempt to remedy the defect, we are not obliged to bear these costs if expenses increase due to the fact that the delivery item was subsequently transported by the customer to a different place other than the place of delivery, unless the transport complies with its contractual and intended use. Cost of work and material that the customer claims due to defects of our services have to be charged on the basis of net cost prices.

(7) If we definitively refuse to remedy the defects, or if the remedy definitively fails or is unreasonable for the customer, the customer is allowed to either terminate the contract in accordance with the legal regulations in compliance with § 9, or reduce payment appropriately and, if we are responsible, additionally claim damages and reimbursement of expenses in accordance with § 14. The claims shall lapse in accordance with § 15.

## § 12 Defects of Title

(1) Unless otherwise expressly agreed, we are obliged to render our services free of industrial property rights and third-party copyrights (in the following called property rights) solely in the country of the place of delivery. If a third party asserts a claim due to violation of property rights caused by services rendered by us on the basis of the contact vis-à-vis the customer, we shall be liable towards our customer within the period defined in § 14 as follows:

(2) We will either effect a utilisation right for the services in question, change them accordingly to avoid the violation of the property right or exchange them according to our choice and at our expense. If we cannot imple-

# General Terms & Conditions of Service

of Gleichmann & Co Electronics GmbH, Schraderstrasse 44, 67227Frankenthal



ment this under reasonable conditions, the customer shall have the legal rights of withdrawal or reduction. The customer shall not have the right to claim damages for futile expenses.

(3) Our obligation to pay damages is based on the legal stipulation in accordance with § 13.

(4) Our duties mentioned above shall only exist if the customer informs us immediately in writing regarding claims asserted by third parties, if he does not recognise a violation and all defence mechanisms and all negotiations to reach a compromise fail. If the customer terminates the use of the delivery for reasons of reduction in losses or other important reasons, he shall be obliged to point out to the third party that no acknowledgement of a violation of property rights is involved in the termination of use.

(5) Claims asserted by the customer are excluded if the customer is responsible for the violation of property rights. Claims asserted by the customer are also excluded if the violation of property rights has been caused by special customer requirements, by an implementation that was unforeseeable for us, or as a result of a change in delivery caused by the customer, or if used together with products not delivered by us.

(6) In all other cases the regulations of § 12 shall apply accordingly.

(7) Any further or customer claims other than those mentioned here, either against us or our vicarious agents due to a defect of title, are excluded.

## § 13 Liability

(1) We shall pay damages or compensation for futile expenses, regardless of the legal reason (e.g. obligation from legal or similar transactions, defect of material or title, violation of duty or unlawful act) only if we are responsible and to the following extent:

a) Liability in case of intent and warranty shall be unlimited.

b) In case of gross negligence, we shall be liable to the amount of the typical and foreseeable damage.

c) In other cases, we shall only be liable in case of violation of an essential contractual obligation, claims for defects and delay, namely for the replacement of the typical and foreseeable damage. Liability in this regard is limited to twice the amount of the stipulated payment of the order/part of the contract affected by the damage.

Under jurisdiction, contractual obligations (cardinal obligation) are obligations which principally enable the fulfilment of the proper enforcement of the contract and on which the contractual partner can trust and is allowed to trust for compliance.

(2) In case of injury to life, body and health and claims from the Product Liability Act, the legal regulations shall apply exclusively.

(3) Our option to raise an objection concerning contributory negligence shall remain open.

## § 14 Limitation of Actions

The deadline for limitation of actions is:

a) one year from delivery of goods for claims from purchase price compensation and withdrawal or reduction; however, if these claims are based on a proper, not statute-barred notice of defects, no less than three months after presenting the valid notice of withdrawal or reduction.

b) one year, in case of other claims concerning material defects, starting with delivery of the goods;  
c) one year in case of claims concerning defects of title. If the defect of title is a right in rem of a third party, on the basis of which the item can be reclaimed, the legal periods for limitation of actions shall apply,  
d) in case of other claims for damages or replacement of futile expenses, two years, starting from the point in time at which the customer became aware of the circumstances the claims are based on, or had to become aware of without gross negligence.

Limitation of actions shall begin with the expiration of the maximum statutory period at the latest (§ 19 para. 3, para. 4 BGB).

(2) In case of payment of damages and reimbursement of expenses, gross negligence, warranty, fraudulent intent as well as injuries to life, body and health and claims from the Product Liability Act, the legal regulations shall apply exclusively.

## § 15 Export

(1) Our services are basically designed to remain in the country of delivery agreed upon with the customer. The re-export of contractual products by the customer is subject to prior authorisation if applicable. They are especially subject to German, European and American export controls and embargo regulations. It is the customer's duty to independently gather information with regard to these regulations from the authorities responsible. We do not accept any liability for permission and fitness for export.

(2) It is the sole responsibility of the customer to obtain the necessary permission from the respective export authorities responsible before exporting such products. Any export of contractual products by the customer to third parties, with or without our knowledge, simultaneously requires the transfer of the regulations of the export licence conditions. The customer shall be liable to us for the correct observation of these regulations.

## § 16 Non-disclosure, Data Security, Reporting of Manufacturer

(1) The contractual partners agree to treat the following as confidential: All items (documents, information, software) they become aware of or receive from the other contractual partner either prior to or during the term of the contract that are protected under law, or obviously contain business or company secrets or are marked as confidential, even after expiry of the contract, unless they are publicly known without breach of non-disclosure or if no legal concern regarding the contractual partner worth protecting is involved.

The contractual partners shall agree to store and secure these items in such a way as to prevent fraudulent use by third parties.

(2) The contractual partners shall make the contractual objects only accessible to employees or other third parties who require access in order to execute their business duties and responsibilities. They instruct these persons on the need for non-disclosure concerning these objects.

(3) We will process the necessary customer data relevant for business transactions with due consideration of the data protection regulations.

## § 17 EC Import Sales Tax

(1) If the customer's registered office is outside Germany, he is obliged to comply with the import sales tax regulations that apply for the European Union. This particularly applies to the disclosure of the sales tax identification number to us and, if necessary, its changes without additional enquiry. On request, the customer shall be obliged to provide the necessary information regarding his capacity as entrepreneur, concerning the use and transportation of the delivered goods and also with regard to the statistical notification requirements to us.

(2) Furthermore, the customer shall be obliged to compensate us for the time, effort and costs incurred due to missing or inadequate information regarding the import sales tax.

(3) Any liability for consequences resulting from information regarding the import sales tax provided by the customer and any relevant data in this regard is excluded, as far as gross negligence or intent is excluded on our part. We are not obliged to check information provided by the customer in this regard.

## § 18 Social Clause

When determining the amount of any claim for compensation to be fulfilled by us or in connexion with this contract, our economic situation, the type, extent and duration of the business relationship, any possible share in the cause and/or fault on the part of the customer and an especially unfavourable assembly of the item shall be taken into appropriate consideration in our favour. In particular, any indemnification, cost and expenses that we are to bear shall be proportionate to the value of the delivered part.

## § 19 Written Form Clause

All changes and addendums to the contract require the written form in order to be effective. The contractual partners comply with this requirement by transmitting documents in text form, particularly by fax or e-mail, unless other requirements for single declarations exist. The written form requirement set forth in this clause must be in writing.

## § 20 Applicable Law

The law of the Federal Republic of Germany shall apply.

## § 21 Jurisdiction

Exclusive jurisdiction for any and all disputes arising from and in context with this contract shall be Karlsruhe, insofar as the customer is a businessperson, a public law entity or a special fund under public law, or equal, or if his commercial residence or subsidiary is outside Germany. We are entitled to take legal action at the customer's commercial residence as well as any other valid place of jurisdiction.

## § 22 Salvatorian Clause

Should one of the provisions of these General Conditions of Service be or become invalid, or should these General Conditions of Service be incomplete, the validity of the other provisions shall remain unaffected. The contractual partners shall substitute the invalid provision by a provision which is the nearest legally effective to the one which has become invalid. The same applies to loopholes in the contract.