

UV SYSTEC GMBH GENERAL CONDITIONS FOR SALES AND SUPPLIES

I. SCOPE OF SUPPLIES AND SERVICES

1. The scope of any supplies or services effected hereunder shall be governed by the written statements supplied by the two parties. If a contract is concluded and the parties have failed to make any such statements, then either the Supplier's or the Service Provider's (hereinafter referred to as „Supplier“) written order confirmation, or, failing such, the written order from the Customer shall be binding.
2. For all supplies or services, the provisions stipulated by the *Verband Deutscher Elektrotechniker* (= Association of German Electrotechnical Engineers) shall be applied as far as they are relevant for the safety of the supplies and services. Variations are allowed if the same safety standard is ensured by other means.
3. The Supplier reserves the unrestricted right of ownership and the copyrights to all quotations, drawings, and other documentation; they shall be made available to third parties only if prior written approval from the Supplier has been obtained. On request, drawings and other documents pertaining to offers must be returned without delay if the bidder was not awarded the contract. The contents of the aforementioned two clauses shall also apply to the Customer's documents. Such documents, however, may be made available to such third parties who have rightfully been awarded contracts by the Supplier for supplies or services.
4. The scope of the delivery shall be as indicated in the written order confirmation from the Supplier. If such confirmation is not available, the delivery note shall be considered the order confirmation.
5. Any verbal collateral agreement shall be effective only if confirmed in writing.

II. PRICE

The prices are understood net, plus V.A.T. as provided by law. They are valid ex works, exclusive of packaging, freight charges, postage, insurance, and other additional expenses. Samples or similar preparatory work occasioned by the Customer will be charged for even if the contract is not awarded.

III. RESERVATION OF TITLE

The goods remain the property of the Supplier until all claims he may have vis-a-vis the Customer as a result of the said business transaction are satisfied. Prior to this, any pledging or transfer of ownership by way of security is not allowed, and reselling is only permitted for resellers in the normal course of business under the proviso that the reseller receives payment from his customer. Any costs incurred in connection with interventions shall be borne by the Customer.

IV. TERMS OF PAYMENT

1. The payments shall be effected free place of payment of the Supplier.
2. The Customer may effect set-offs only against undisputed or legally established debts.
3. In case of non-observance of payment terms, or if reasonable doubts in respect of the credit-worthiness of the Customer exist, the Supplier has the right to request advance payments and other payments for all outstanding accounts and even for those accounts that are not yet due, have any unpaid deliveries returned at the Customer's expenses, or withdraw from the contract without notice.

V. TIME ALLOWED FOR DELIVERIES AND SERVICES

1. Delivery times/deadlines shall only be binding if expressly approved by the Supplier in writing. Compliance with the deadlines can only be assured if the Customer has fulfilled all of its contractual obligations and/or has effected any agreed advance payments and/or has met any other duty he may have in respect of prior performance or cooperation. Another prerequisite for observance of the deadlines is the correct and on-time delivery by the suppliers of the Supplier as far as the Supplier has selected them with due care and in a business-like manner.
2. The deadline is considered met if the ready-for-use consignment was dispatched or collected within the time specified for delivery or performance. In case of delayed delivery due to Customer's fault, the deadline is considered met if the information of readiness for dispatch was given within the agreed period of time.
3. If proof can be furnished that non-observance of the deadline for the deliveries and services happened because of mobilization, war, riot, strike, acts of the authorities, or occurrence of unpredictable circumstances, the time shall be reasonably extended.
4. If the Supplier is in default, and if an additional period of time granted by the Customer has lapsed without any response on the part of the Supplier, the Customer has the right to withdraw from contract. Damages for non-performance cannot be claimed unless the default occurred as a result of the Suppliers' wrongful intent or gross negligence.
5. In case dispatch or delivery of the goods are delayed on request of the Customer, then, beginning one month after the date of advice of readiness for shipment, a storage fee amounting to ½ % of the invoice amount can be charged to the Customer for any commenced month; such storage fee, however, shall be limited to 5% unless proof of higher costs is furnished.
6. In case of orders for goods to be delivered on demand, the call time for the overall order shall be one year from the date of confirmation by the Supplier. The Customer agrees to inform about his forthcoming request not later than four production weeks in advance. If the Customer fails to demand the full quantity until expiration of the time specified, the Supplier may, after prior notice, opt for performance or withdraw from the contract. Claims for damages, if any, shall not be affected.

VI. PASSING OF THE RISK

1. Upon delivery of the goods to the carrier company, the risk will pass to the Customer, even if delivery on carriage paid basis or self-collection had been agreed upon, or the ready-for-use consignment was dispatched or collected.
2. In the absence of other agreements, the Supplier is free to choose the kind of packaging, the routing, and the mode of dispatch. The costs for packaging shall be borne by the Customer. The packaging will be effected with best care, the dispatch will be effected to the Supplier's best discretion. At the Customer's request and expenses, the Supplier will insure the consignment against damage by breakage, transport damage, and fire damage.
3. In case the dispatch or delivery of the goods is delayed on request of the Customer or for reasons lying with him, then the risk shall pass on to him for the time of the delay. The Supplier, however, undertakes to effect the insurances required by the Customer at the Customer's request and expenses.

VII. ACCEPTANCE

1. Delivered items have to be accepted by the Customer, even if those items show minor shortcomings.
2. Partial deliveries are allowed.

VIII. LIABILITY FOR DEFECTS

For any defects, including the absence of warranted qualities, the Supplier shall be liable as follows:

1. All parts or services which – within a period of 24 months from the date of the passing of the risk, irrespective of their operating time - become unuseable as a consequence of any circumstances that have existed already prior to the time of the passing of the risk, i.e. in particular, due to defective design, faulty material, or faulty workmanship, or whose useability is considerably impaired, shall, at the Supplier's option and at no cost, either be repaired or replaced by new items or be provided again. Any such defects found shall be promptly notified to the Supplier in writing; the goods shall be sent to the Supplier for examination.
2. The Customer affords the Supplier the opportunity and grants it such reasonable period of time as necessary to remedy the defects. If he fails to do so, the Supplier shall be exempt from the liability for defects.
3. In case the Supplier fails to remedy the defect within the additional period of time granted to him, the Customer may require the contract to be cancelled (exchange) or request reduction of the price (diminution).
4. The Customer agrees to fulfill all his contractual obligations, i.e. in particular regarding the agreed Terms of Payment. In case a notification of defects is put forward, then payments from the Customer may be withheld to an amount reasonably proportionate to the defects found.
5. The liability for defects does not include normal wear as well as any defects developing after the passing of the risk as a result of faulty or negligent handling, due to non-observance of specifications issued by the Supplier, excessive use, unsuitable production equipment, and such influences of a chemical, electrochemical or electrical nature which are not expressly provided for in the contract; not included are also defects attributable to the use of material supplied by the Customer.
6. Any changes or repairs performed in an improper manner by the Customer or third parties without the prior consent from the Supplier will void any liability for the consequences resulting from this.
7. The warranty period shall be 3 months for remedied items, and six months for replacement deliveries. It runs, at least, until the end of the original warranty period for the delivered item. The duration of the warranty period for defects shall be extended by the duration of the downtime necessary for such remedying, replacement deliveries or services.
8. The provisions regarding warranty periods under 1. and 7. shall not apply as far as longer periods are provided for by law.
9. Any further claims of the Customer vis-a-vis the Supplier and the Supplier's agents shall be excluded, in particular claims because of damages not to the delivery item proper. This shall not apply as far as either liability to the Product Liability Act, e.g. for personal injuries and damages to objects of private use, or compulsory liability in cases of wrongful intent, gross negligence, or absence of warranted qualities, is invoked.
10. The Articles 1. through 9. shall also apply to any right to claim corrective work, replacement delivery or damages the Customer may have as a result of advice or consultation provided under the contract, or due to breach of additional contractual obligations.

IX. IMPOSSIBILITY OF PERFORMANCE, ADJUSTMENT OF CONTRACT

If it should be impossible for the Supplier or the Customer to effect the agreed supplies or services, then the general legal principles shall apply as follows: If impossibility of performance is due to the Supplier's fault, the Customer shall have the right to claim damages. Such damages, however, shall be limited to 10% of the value of that part of the delivery or service which cannot be put into operation as desired due to the said impossibility. Any claims for damages on the part of the Customer exceeding the said limit of 10% are excluded. This shall not apply if compulsory liability is invoked, e.g. in instances of wrongful intent or gross negligence. Nothing hereunder shall affect the Customer's right to withdraw from the contract.

Inasmuch as unforeseen circumstances to Article V, clause 3, para. 1, effect a considerable change in the economic significance or the contents of the delivery or service, or exert a major influence on the Supplier's operations, the contract shall be reasonably adapted in accordance with the requirements of good faith. As far as this proves to be in conflict with economic interests, the Supplier has the right to withdraw from the contract. If he opts to exercise this right, he shall, after he became aware of the consequences resulting from said circumstances, inform the Customer accordingly even if extension of delivery time had been agreed upon with the Customer.

X. OTHER CLAIMS FOR DAMAGES

Claims for damages on the part of the Customer resulting from breach of contract, breach of obligations during the contract negotiations, or tort, are excluded. This shall not apply inasmuch as either liability according to the Product Liability Act, e.g. for personal injuries and damage to goods of private use, or compulsory liability for cases of wrongful intent and gross negligence, is invoked. The same limitation of liability shall also be valid for the Customer.

XI. PLACE OF JURISDICTION

1. If the Customer is a fully qualified merchant, the Supplier is free to decide if either the place of the Supplier's head office or the place of the Supplier's branch office shall be the exclusive place of jurisdiction for all direct or indirect disputes arising from the contractual relationship.
2. The contractual relationship shall be governed exclusively by German law, without any recourse to the UN Right of Purchase (CISG).

XII. VALIDITY OF THE CONTRACT

If any provision of the contract is held to be ineffective, this shall not affect and impair the validity of the other provisions. The foregoing shall not apply if adherence to the contract would constitute an unreasonable hardship for one of the parties.