General Terms and Conditions of Sale (T&C) of the company Neumüller Elektronik GmbH applicable to international transactions  
(As at August 2016)

Section 1 General provisions and scope

1. Our General Terms and Conditions of Sale (T&C) apply solely to all transactions between the company Neumüller Elektronik GmbH (hereinafter referred to as “the Seller”) and the party placing an order (hereinafter referred to as “the Buyer”) who is acting in its commercial or independent professional capacity in concluding a legal transaction (an entrepreneur as defined in Article 14 of the German Civil Code, BGB) or is a person governed by public law or a public-law special fund.

2. Our T&C are exclusively designed for contracts that are not covered by the special provisions of the law on sales of consumer goods (Article 474 et seq. BGB).

3. Our T&C shall also apply to all future transactions with the Buyer.

4. All arrangements entered into between us and the Buyer for the purposes of executing the contract are stipulated in these T&C.

5. All offers, agreements, delivery contracts and sale contracts, as well other contracts, shall be exclusively governed by our T&C. Any contrary conditions of the Buyer or conditions that deviate from our T&C shall not be recognised. Any such conditions shall not form part of the contract.

6. Our T&C shall also apply exclusively in the event that we unconditionally supply goods to the Buyer in the knowledge that the terms and conditions of the Buyer are contrary to or deviate from our T&C.

Section 2 Offer, offer documents and conclusion of contract

1. Our quotations are subject to change and non-binding unless expressly labelled as binding and in the absence of any provision to the contrary in the order confirmation.

2. The order shall be governed by our order confirmation. If the order is carried out immediately, the invoice and/or delivery note shall serve as the order confirmation. If the Buyer objects to any of the content of the order confirmation, it must object immediately. Otherwise, the contract shall be concluded according to the order confirmation.

3. We shall reserve all rights to any illustrations, drawings, samples, calculations, cost estimates and other documents, tangible or intangible, including in electronic form, that form part of the offer, particularly proprietary rights and copyright. Such information may not be made accessible to third parties. The Buyer shall require our express written consent prior to disclosing such documents to third parties. This applies in particular to written documents as well as documents in electronic form labelled as “confidential”. If the Buyer receives such information during the initiation of the contract, it shall be obliged to return such information free of charge in the event of the contract not being concluded.

4. If and insofar as the Buyer has paid the agreed remuneration for the documents made available to him and referred to under Section 2 no. 3, the ownership and/or rights of use shall transfer to it pursuant to the arrangements to be made expressly in writing.

5. With regard to all documents, items and similar provided to us for the purposes of delivery or performance, the Buyer undertakes that no third-party rights will be breached as a result. We will make the Buyer aware of any third-party rights known to us. The Buyer shall hold us harmless with regard to any claims of third parties and compensate us for any damages incurred in this regard. If performance, production or delivery is prohibited by a third party with reference to a protected right held by that party, we may, without reviewing the legal situation, cease work and request compensation from
the Buyer for our costs.

6. Documents, items and similar provided to us that did not result in an order being placed will be returned to the Buyer at its request and expense. We may destroy such documents and items if the Buyer has been given an appropriate period of time in which to issue a declaration and has not done so despite having been informed of the consequences of failing to respond.

Section 3 Content of contract

1. If the contract relates to deliveries or services that are subject to further technical development, we may always supply the latest type provided that the development process has improved quality and only resulted in minor deviations.

2. The information on the products that we sell as detailed in catalogues, data sheets, type lists, brochures and advertising material; in specifications or other technical conditions of sale; in certificates and other forms, shall not represent any guarantee over and above liability for material defects with regard to the properties or durability of the item. We shall not assume any guarantee in the absence of any express agreement. No specific use shall be stipulated in the contract unless the subject of an express agreement.

3. Samples of the products that we sell shall be test samples and shall not form the basis of any guarantee regarding the properties of the item unless expressly agreed otherwise. This shall similarly apply to the data sheets used by us. The applicable tolerances should be noted.

4. For the purposes of creating appropriate batch sizes, we reserve the right to apply the quantity and quality tolerances customary in commercial practice.

Section 4 Prices and payment terms

1. In the absence of any provision to the contrary in the order confirmation, our prices do not include any additional costs for packaging, customs duties and transportation from our warehouse (Weisendorf or Ahrensburg).

2. Our prices do not include value-added tax at the statutory rate. Where value-added tax is applicable, the relevant statutory rate shall be payable by the Buyer. This tax will be detailed separately on the invoice at the statutory rate applicable on the date on which the invoice is issued.

3. No special arrangements shall be required for a cash discount.

4. The prices shall only apply to the respective order and shall not be binding with regard to subsequent orders.

5. Where the purchase price is in a foreign currency, the Buyer shall bear the risk of any deterioration in the exchange rate between that currency and the euro during the period from the conclusion of the contract until receipt of the amount.

6. If there is a period of more than four weeks between the placing of the order and the agreed delivery date or date of performance, we reserve the right to adjust our prices accordingly in the event of any reduction or increase in prices following conclusion of the contract in particular as a result of collective wage agreements, increases or decreases in commodity prices or other material prices, or exchange rate fluctuations. Documentary evidence of such changes will be presented to the Buyer upon request.

7. Unless stated otherwise in the order confirmation, the total purchase price net (without deductions) shall be due for payment upon delivery. The Buyer shall be in default of payment without the need for a warning if its payment is not credited to our bank account unconditionally within 30 days of
falling due and receipt of an invoice or equivalent payment schedule.

8. In the event of payment default, the Buyer shall be required to pay penalty interest at a rate of 9 percentage points above the respective base rate (Article 288, paras. 1 and 2, and Article 247 BGB), as well as a lump sum of EUR 40 (Article 288 para. 5 BGB). We reserve the right to assert claims for further damages.

9. Should the Buyer be in default with a payment, all of our other claims against the Buyer shall immediately fall due.

10. If the Buyer is in default with payments of any type or in the event of a deterioration in its financial situation, creating doubts as to its ability to pay, we may withhold all further services and demand advance payment. Any such deterioration in its financial situation shall also be assumed to exist if bills of exchange or cheques are protested or if the limit imposed by a credit insurer is exceeded or would be exceeded as a result of the intended delivery.

11. We are not obliged to accept bills of exchange or cheques as payment. Any such acceptance shall only be made on account of performance. Any related costs such as taxes on bills of exchange and collection expenses shall be borne by the Buyer.
Section 5 Set-off, right of retention

1. The Buyer shall only enjoy rights of set-off to the extent that its counterclaims are non-appealable or undisputed or entail mutuality of obligation with regard to our claims.

2. The Buyer shall have no right of retention due to contested counterclaims, unless the delivery is obviously defective. In such a case, the Buyer shall only have a right of retention to the extent that the retained amount is in reasonable proportion to the defects and the likely costs of subsequent performance (particularly remedying of a defect). The Buyer shall only be permitted to exercise a right of retention if its counterclaim is based on the same contractual relationship.

3. Article 215 BGB shall continue to apply.

Section 6 Call orders

1. With regard to call orders, any request for delivery on the part of the Buyer must be made no later than eight weeks before the desired delivery date unless agreed otherwise.

2. In the absence of any provision to the contrary, the Buyer must request delivery within a period of twelve months from the date of the order confirmation. Following the expiry of any appropriate extended deadline granted by us or if the setting of a deadline is not necessary, we may deliver the goods and invoice them, withdraw from the contract, or demand damages. We may also charge the Buyer the price for the quantities actually called.

Section 7 Delivery time

1. The delivery periods and times stated in our offers and order confirmations are approximate.

2. Compliance with our obligation to deliver and perform is contingent upon the Buyer duly fulfilling in good time its obligation to cooperate, particularly with regard to clarification of all technical queries.

3. Correct and timely delivery from our own suppliers is a prerequisite. We may withdraw from the contract should our suppliers fail to deliver to us on time or correctly. This shall similarly apply if our suppliers as a result of, for example, a shortage of raw materials on the global market, can currently only make or supply the goods to be delivered at inappropriately high prices. This right of withdrawal shall only apply in the event that we are not responsible for the supplier’s failure to deliver on time or to deliver at all, in particular if we have entered into a congruent covering transaction with our supplier. We shall inform the Buyer immediately that the item for delivery is unavailable and, in the event of withdrawal, immediately refund any payment already made by the Buyer.

4. If delivery is delayed by force majeure, e.g. natural events (storm, hailstorm, snow, fire, water) or by events for which we are not responsible, e.g. operating faults or strikes, the deadlines shall be extended accordingly. If such factors mean that the delivery or performance is impossible on more than a temporary basis, we shall be entitled to withdraw from the contract. Any claims for damages on the part of the Buyer shall be excluded in such cases. We shall inform the Buyer of the impossibility immediately.

5. Partial deliveries during the delivery period are permitted, provided that the Buyer can reasonably be expected to accept these.

6. Contractually agreed deadlines are not fixed deadlines unless expressly defined as such. The Buyer may only withdraw from the contract due to delivery times being exceeded if it previously granted an appropriate extension to the delivery period and this has also expired without delivery. The setting of a deadline may be dispensed with in the cases referred to in Article 323 para. 2 BGB.

7. The Seller shall be liable for any delay in delivery in the event of wilful intent or gross negligence on the Seller’s part or on the part of its representatives or agents pursuant to the statutory provisions. The
Seller’s liability in cases of gross negligence shall however be limited to the typical foreseeable damages under the contract. The Seller shall also be liable in accordance with the statutory provisions to the extent that delayed delivery is attributable to a wilful breach of an essential contractual obligation, compliance with which enables the contract to be performed properly and can regularly be relied upon by the Buyer. Also in such cases, liability shall be limited to the foreseeable level of damages typically incurred. In addition, in the event of delayed delivery, the Seller’s liability for damages plus performance shall be limited to a flat rate of compensation of 0.5% of the price of the delayed delivery for each full week of the delay up to a maximum of 5%; payment of damages in place of performance shall be limited to 50% of the value of the delivery. Further claims on the part of the Buyer are excluded, including after the expiry of any deadline granted to the Seller for performance. The above limitations of liability shall not apply in the event of wilful intent or in the case of human injury, damage to health or loss of human life.

8. Should the buyer default in taking delivery or fail to adhere to other duties to cooperate, we shall be entitled to demand compensation for any damages incurred as a result, including any additional expenses. In such cases, the risk of the item for delivery being accidentally destroyed or accidentally deteriorating passes to the Buyer at the time at which the Buyer defaults on acceptance.

Section 8 Transfer of risk, packaging costs and transport insurance

1. In the absence of any provision in the order confirmation to the contrary, delivery ex-warehouse (Weisendorf or Ahrensburg) is agreed.

2. The risk of accidental destruction and accidental deterioration passes to the Buyer at the time at which we deliver the goods to the haulier, freight company or other person or organisation commissioned with carrying out the shipment.

3. If the delivery of the goods, once ready for delivery, is delayed at the Buyer’s request to a later date than originally scheduled, the Buyer shall bear the risk of accidental loss of or deterioration in the goods from the end of the day on which delivery was originally scheduled.

Section 9 Warranty, guarantee, damages, liability and statutory limitation

1. Buyer’s obligation to give notice of defects
   1. The Seller’s liability for defects is reliant on the Buyer duly complying with its obligations to investigate and notify pursuant to Article 377 of the German Commercial Code (HGB).

   2. Any obvious defects must be reported in writing without delay following delivery. Concealed defects must be reported by the Buyer in writing immediately following discovery. The Buyer is obliged to provide us with a detailed written description of the defects being reported.

   3. If no notice is given or if defects are reported late, the contractual partner shall lose any claims founded on the presence of defects in the item being sold.

   4. If the products that we sell are being supplied in batches, enabling statistical quality testing to be carried out upon receipt based on standard principles, such testing is to be carried out as a minimum upon receipt. In the absence of any agreement to the contrary, the testing conditions and criteria stipulated in the relevant standard documentation shall be applied to the test. Any batch accepted on the basis of this testing shall be deemed to be free of defects. Any batch rejected on the basis of this testing shall be replaced by us once returned in full, with a defect-free batch being
supplied in its place. We also reserve the right to replace the defective parts of the returned batch with defect-free parts in consultation with the client.

5. Reliability data on the products that we sell, unless expressly agreed otherwise, represents statistical averages calculated by the manufacturer as a means of providing the Buyer with general guidance but not relating to individual deliveries or delivered batches.

6. Any processing of a defect report on our part, including in particular investigation of the goods after their return by the Buyer, in no way represents waiver of the obligation to give notice of defects.

2. Guarantee

1. In the absence of any individual agreement to the contrary, we assume no guarantee with regard to the properties or durability of the item. Our employees, agents and other sales mediators are not authorised to issue guarantees and assurances. In case of doubt, only express declarations on the part of the Seller regarding the provision of a guarantee shall be binding.

2. Information that we publish in the form of text or drawings, e.g. in catalogues, data sheets, descriptions, diagrams and drawings, as well as measurements, weight information and performance details merely label the properties of our products and in case of doubt do not represent any form of assurance or guarantee. We cannot exclude the possibility of our catalogue or electronic storage media provided to the Buyer for ordering purposes containing mistakes (printing errors). We strive to correct any such errors as soon as we become aware of them. Furthermore, we refer to the websites of our suppliers which contain the current versions of the respective data sheets.

3. The provision of samples does not in itself represent any guarantee or assurance. We reserve the right to make changes to technical data and designs for the purposes of technical progress.

3. Defects/warranty

1. The basis for determining whether the delivered products comply with the contract shall be the respective contractual description of the products in the contract that we enter into with the Buyer.

2. The suitability of the products that we sell for the Buyer’s area of application shall be based solely on this description. Insofar as we offer application advice, our responsibility shall be limited to the products offered and their features as specified in or specifiable in verifiable technical parameters. The suitability of the products that we sell for the Buyer’s specific area of application shall be the sole responsibility of the Buyer.

3. Where there is only a minor deviation from the agreed properties or only a minor impairment of the usability, there shall be no claims based on material defects.

4. Insignificant changes to the goods in relation to structure, form and design, and to the figures quoted in the description and data sheets, and insignificant changes to our service shall be accepted by the Buyer provided that they are reasonable or represent customary tolerances in terms of quantity, quality or design.

5. The Buyer shall also be obliged to accept the delivery if the goods contain an insignificant deviation from the agreed properties or if there is a minor impairment of usability.

6. The Buyer may not withdraw from the contract in the event that the item for sale is only affected by minor defects. Minor defects apply in particular in the event of insignificant deviations from the contractually agreed properties and in the event of only insignificant impairments of the usability of the goods as stipulated in the contract.

7. Where the Buyer justifies its notification of a default on the basis of a public statement, and a statement included in advertising in particular, it must be able to prove that such public statement was the reason for its decision to buy the goods.

8. Liability for material defects shall not extend to natural wear or damage that occurs after the transfer of
risk as a result of incorrect wear or damage that occurs after the transfer of risk as a result of incorrect or negligent handling, excessive loading or specific external factors not provided for in the contract. In the event that the Buyer or third parties carry out modifications or maintenance work improperly, there shall be no liability for these and any resulting consequences.

4. **Action to remedy faults**
   1. In the event of a defect, we shall always have the right to choose between remedying the fault or delivering a defect-free item (action to remedy faults pursuant to Article 438 BGB).
   2. In the absence of any binding statutory provision to the contrary, the Buyer shall be obliged to grant us in writing an appropriate period of time in which to remedy the fault before being able to assert further claims for material defects.
   3. This period is generally at least 4 weeks for action to remedy faults in the case of equipment or components having been delivered and 3 weeks with regard to the delivery of spare parts. This shall not apply where in individual cases a different period of time has been contractually agreed or a shorter period of time is absolutely necessary, e.g. in urgent cases where there is the threat of excessively major damage or risks to operational safety. The Buyer must inform us of any such circumstances.
   4. In the event of action to remedy faults, we shall not be obliged to bear all of the necessary, related expenses, particularly transport, road, labour and material costs to the extent that the expenses increase due to the item being transported to a place other than the place at which the Buyer is based, unless the movement of the goods is in line with the intended use.
   5. We may reject the action to remedy faults if it can only be achieved at a disproportionately high cost. This shall apply in particular if
      a. the expenses associated with remedying the defect are likely to exceed 100% of the market value of the item being purchased;
      b. in the event of additional delivery, the costs for us of procuring a replacement exceed 150% of the market value of the item being purchased.
   6. If the action to remedy faults is not carried out within the period referred to in Section 9 para. 4 no. 3 above or is not successful, the Buyer may withdraw from the contract, declare a reduction in the purchase price or demand compensation for damages based on the following conditions. Action taken to remedy the defect shall be deemed to have failed after an unsuccessful second attempt in the absence of any other situation due in particular to the type of item or defect or other circumstances.
   7. The contractual partner may only demand damages instead of full performance if delivery of the defective item represents a considerable violation of an obligation.

5. **Defects of title**
   1. We shall be liable in accordance with the statutory provisions for the products supplied being free from any defects of title.
   2. We only guarantee that the products that we supply do not breach any industrial property rights or third-party copyrights in relation to the country in which we have our registered office (Germany) in the absence of any provision to the contrary. We shall not be liable in the event that any breach of such property rights is based on instructions issued by the Buyer or to the extent that unauthorised modifications to the product or use of the product in a manner that deviates from the contractually agreed use on the part of the Buyer results in the legal breach.
   3. The Buyer shall inform us immediately in the event of a third party claiming that property rights have been breached. If such information is not provided immediately, any warranty claims shall be excluded.
   4. If justified third-party claims are asserted during the warranty period, we may choose the most appropriate course of action, opting to obtain a right of use at our expense for the deliveries concerned, to modify the deliveries so that, with due account for the contractually agreed purpose, the property rights are not being breached, or to supply comparable products that do no breach the property rights.
5. Any warranty claim on the part of the Buyer shall be excluded if the Buyer itself negotiates with the third party or enters into agreements with the third party without our consent.

6. **Damages**

In the absence of any provision to the contrary in our T&C, the Seller shall be liable in cases of wilful intent or gross negligence on the Seller’s part or on the part of its representatives or agents pursuant to the statutory provisions. The Seller’s liability for damages in cases of gross negligence shall be limited to the foreseeable damages typically incurred. The Seller shall also be liable in accordance with the statutory provisions to the extent that it negligently breaches an essential contractual obligation, compliance with which enables the contract to be performed properly and can regularly be relied upon by the Buyer; in such a case, liability for damages shall be limited to the foreseeable damages typically incurred. Any other liability is excluded. Liability for negligent loss of life, human injury or damage to human health shall remain unaffected; this shall similarly apply to liability in accordance with the Product Liability Act.

7. **Statutory limitation**

1. Claims in the event of defects (warranty claims) relating to the delivery of goods or production of a plant, regardless of legal basis, shall become statute-barred after one year. This shall not apply, however, in the cases referred to in Article 438 para. 1 no. 2 BGB and Article 634a para. 1 no. 2 BGB. The periods referred to in the above second sentence shall become statute-barred after three years.

2. In the event of any type of claims for damages being asserted against the Seller in relation to a defect, the period of limitation as referred to in sentence 1 of the above paragraph shall apply (Section 9. 7 no. 1 sentence 1).

3. The periods of limitation pursuant to the above Section 9.7 no. 1 and Section 9. 7 no. 2 shall apply subject to the following condition:

   a) The periods of limitation shall not apply in cases of wilful intent.
   b) The periods of limitation shall also not apply if the Seller has maliciously concealed the defect or if the Seller has given a guarantee for the nature of the delivered item.
   c) The periods of limitation shall also not apply for claims for damages in cases of loss of life, human injury or damage to human health, or violation of freedom, or in the event of claims in accordance with the Product Liability Act, in the event of a deliberate or grossly negligent breach or in the event of a breach of material contractual obligations.

4. With regard to claims in accordance with Section 9.7 no. 1 the period of limitation shall commence upon the delivery of the goods and/or production of the plant, and with regard to cases in accordance with Section 9.7 no. 2 upon knowledge of the damage and the person responsible.

5. In the absence of any express provisions to the contrary, the statutory provisions on the commencement of the period of limitation, the suspension of expiry, suspension and the recommencement of periods shall remain unaffected.

**Section 10 Retention of title**

a. The delivered goods shall remain the property of the Seller until such time as the agreed price has been paid in full. Should the Buyer breach its contractual obligations, and particularly in the event of payment default, the Seller may, after setting an appropriate deadline or where the setting of such a deadline may be dispensed with, withdraw from the contract and demand that the delivered goods be returned, in which case the Buyer shall be obliged to return said goods.
b. The Buyer is obliged to treat the delivered goods with care. Where common practice, it must insure the delivered goods at its own expense against fire, water damage and theft with cover in the amount of the replacement value. Claims against the insurer shall be assigned to us. We hereby declare our acceptance of this assignment. Should the Buyer fail to provide evidence at our request of sufficient insurance cover being in place, we may arrange for the delivered goods to be insured against theft, breakage, fire, water damage and other damage at the Buyer’s expense.

c. The Buyer may not pledge the goods or transfer them as security if retention of title continues to apply.

d. In the event of attachments, seizures or other dispositions or interference by third parties while the goods remain subject to retention of title, the Buyer must inform us without delay and within no more than 3 working days in writing to enable us to take legal action pursuant to Article 771 of the Code of Civil Procedure (ZPO). The Buyer shall provide us with the information required for the legal action regarding the person of the third party and any other necessary information in writing without delay and within three working days. To the extent that the third party is not in position to pay us the judicial and extrajudicial costs of a legal action in accordance with Section 771 ZPO, the Buyer shall be liable for any damages incurred by us.

e. The Buyer may further process the delivered goods in the proper course of business or sell the goods on having agreed an extended reservation of title. It is not authorised to dispose of the goods in any other way.

f. The Buyer shall hereby assign to us all claims in the amount of the final invoice amount (including VAT) constituting our claim that result from the onward sale to the Buyer’s purchaser or to a third party and irrespective of whether the goods are sold on after processing or without having been further processed. We hereby declare our acceptance of this assignment.

g. The Buyer may not agree a non-assignment clause. If a debtor of the Buyer makes a partial payment to the Buyer, the claim assigned to us shall be deemed to be paid last. The Buyer may collect the assigned claims in the proper course of business.

h. Our authority to disclose the assignment and to collect the claim ourselves shall remain unaffected. We undertake, however, to refrain from disclosing the assignment and collecting the claim provided that the Buyer honours its payment obligations from the proceeds received and does not default on payment and, in particular, provided that no application is made for bankruptcy and that there is no cessation of payments. Where applicable we may demand that the Buyer provide us without delay with written details of the assigned claims and debtors and with all the information required to collect the outstanding amounts, submit to us all the related documentation and inform the debtors (third parties) of the assignment.

i. Any processing or transformation of reserved goods shall always be done on our behalf. If the goods are processed alongside other items that do no belong to us, we shall acquire joint ownership of the resulting product based on the value of the goods compared with the value at the time of processing of the other processed items. With regard to the product created from the processing stage, the same shall otherwise apply to the goods supplied subject to reservation.

j. If the goods are combined with other items that do no belong to us, we shall acquire joint ownership of the resulting product based on the value of the goods compared with the value at the time of combining with the other processed items. If the Buyer combines our goods with an item that it owns in such a way that the Buyer’s item can be viewed as the main item, the Buyer shall transfer a share of the ownership of the main item to us based on the value of our item compared with the value of the main item. The Buyer shall store the property of which it has sole or shared ownership on our behalf.

k. The Buyer shall also assign to us the claims securing our claims against it arising against a third party from the combining of the delivered item with property. We hereby declare our acceptance of this assignment.

l. The Buyer’s right to process and to sell ceases to apply if it fails to meet its payment obligations towards us, otherwise grossly infringes the contracts concluded with it or suffers from financial collapse. Financial collapse shall include cessation of payments, over-indebtedness, an application for insolvency proceedings and any other serious change to the Buyer’s financial circumstances that may pose a risk to the assets serving as our security.
m. We undertake to release the security made available to us upon the buyer’s request to the extent that the realisable value of the security exceeds the value of the claims being secured by more than 20% on a more than temporary basis. The Buyer shall be free to decide which security to release.

Section 11 Place of jurisdiction, place of performance, applicable law and authorisations

1. If the Buyer is a businessman, a legal entity governed by public law or a public-law special fund, the sole place of jurisdiction for all disputes arising directly or indirectly from this contract shall be the place in which the Seller has its registered office. The Seller may, however, also take legal action before any other responsible court, in particular in the place in which the Buyer has its registered office.

2. In the absence of any provision to the contrary in the contract, the location of our registered office shall be the place of performance, fulfilment and payment.

3. All legal relationships in conjunction with this agreement shall be subject to German law excluding conflict of laws provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG).

4. Should the Buyer wish to re-export goods supplied by the Seller, it shall be responsible for acquiring any necessary domestic export licences and foreign import licences.