

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY
(February 2011)

1. General Terms

- (1) The following General Terms and Conditions of Sale and Delivery (hereinafter referred to as GTCSD) shall be applicable to all business relations of Primosensor GmbH (hereinafter referred to as supplier) with the ordering party (hereinafter referred to as orderer) with regard to the delivery of goods and the performance of services (hereinafter referred to as delivery).
- (2) For the legal relationship between supplier and orderer in connection with deliveries of the supplier exclusively this GTCSD are valid. Agreements which compliment or modify these GTCSD require the supplier's consent in writing to be of legal effect. Conflicting business conditions are not recognised, to the exception of those which the supplier gives express consent to.
- (3) The expression „claims of idemnity“ of this GTCSD covers explicitly claims of vain expenditure as well.

2. Conclusion of Contract

- (1) The information, regarding price indications too, which is contained in brochures, advertisements and other documentation, is not binding. Indications to measures, weight and performance as well as to illustrations are of approximate type only and not binding to the extent to which they are not expressly declared binding.
- (2) The supplier reserves his unlimited property and copy rights on cost estimates, drawings, blueprints and other documentation (hereinafter referred to as documents). They may not be made accessible to third parties unless the supplier's consent in writing is given. If the order is not given to the supplier on request documents have to be returned to him immediately. His is valid for documents of the orderer equivalently. However documents are allowed to be given to third parties, to whom the supplier has transfered deliveries permissibly.
- (3) Even subsequent to the despatch of order acknowledgement the supplier reserves the right to make changes in construction, selection of material, specification and design provided that such changes are in keeping with technical progress and are reasonable to the customer.
- (4) Unless explicitly agreed otherwise in writing, customer-specific tools remain property of the supplier even if orderer were charged costs for them.

3. Scope of Delivery

- (1) For scope of delivery mutual written declarations are decisive. Has a contract been made without such a declaration the written order acknowledgement of the supplier or – if not existing – the written order of the orderer is decisive.
- (2) Short part deliveries are permissible and can be invoiced separately.

4. Prices, Conditions of Payment and Compensation Off-Sets

- (1) The prices comprise the object of delivery as it was agreed in the contract in addition to packing. In each case the supplier immediately bills the sales tax required by law, transportation cost ex works or ex delivery stock as well as the cost for transportation insurance requested separately by the orderer.
- (2) The orderer bears duties, fees, taxes and other levies which may apply.
- (3) The orderer is bound to perform net payments for the deliveries 30 (thirty) days at the latest to be counted from the invoice date to the supplier's clearing point unless other contractual agreements were made.

- (4) If the orderer does not perform payments in due time, the supplier shall be entitled to charge an interest for reason of delay as to which the supplier's bank charges for advances on current accounts, of at least 8 per cent above the effective ECB base rate.
- (5) The orderer may make off-sets only to claims which are not disputed of legally effective.

5. Delivery Terms and Consequences of Delay

- (1) The observance of delivery terms requires in timely fashion the receipt of all documents, required permissions, releases and plans which are to be delivered by the orderer as well as the observance of the payment conditions and other obligations. In the event of non-observance, delays shall be reasonably extended.
- (2) If the non-observance of the delays results from reasons which the supplier must not assume liability of (e.g. war, uproar, strike, lock-out, natural disaster), the fixed terms shall be reasonably extended. The same goes for the case if the supplier himself is not supplied in time or incorrectly.
- (3) In the event of a non-observance of the delay the orderer, for him to provide such evidence, may claim an indemnification for the delay to an amount of 0.5 per cent per week to an overall amount of as much as 5 (five) per cent of the value of the part of the delivery which could not be made to fit the purposes of operation as a result of non-complement of single objects.
- (4) The orderer shall also be entitled to claim the payment of indemnification if the conditions which are outlined in subparagraph 3 take effect only following a faulty excess of the delivery time which was initially agreed. Further claims for indemnity are excluded to the exception of those which result from intentional or gross negligence on the side of the supplier. The right of the orderer to rescind the contract shall be maintained as far as the supplier is to be held liable for the delay. An alteration of burden of proof to the detriment of the orderer is not connected with the preceding regulations.
- (5) On request of the supplier the orderer is obliged to declare within a appropriate period if he withdraws from the contract because of the delivery or if he insists on delivery.
- (6) Are dispatch or delivery delayed by request of the orderer for more than one month - after ready for dispatch is announced - orderer can be charged with costs of storage: 0,5% of the product's price for each started month, maximum 5% in total. Higher or lower costs for storage might be proven by the contract parties.

6. Reservation of Title

- (1) The objects of the deliveries shall remain the supplier's property until all claims resulting from the business relation he is entitled to against the orderer have been satisfied. In so far as the value of all security rights which the supplier is entitled to exceeds the amount of secured claims by more than 10 (ten) per cent, the supplier shall proportionately release security rights upon request.
- (2) During the existence of the reservation of title the orderer shall neither be allowed to proceed to a pledge nor to an assignment of security, and he shall proceed to a resale only in the course of usual business and upon the condition that he receives payment from the reseller or upon the condition that the title of property passes to the customer if this latter party has met its payment obligations entirely.
- (3) In the event of an attachment, a seizure or otherwise injunction or third-party interventions the orderer shall notify the supplier immediately.
- (4) In the event of a culpable breach of the orderer of substantial contractual obligations, particularly the failure to perform payments in due time, the supplier shall be entitled to a redemption following a previous reminder. The supplier's redemption or claim of a reservation of property or attachment of the object of delivery does not represent a rescission of contract except for an express declaration of the supplier to do so. The supplier shall be entitled to make use of the good under reservation redeemed and to satisfy himself from the fructuation thereof, setting off the claims which are unsettled.

7. Transfer of Perils

- (1) The peril is transferred to the orderer also for carriage paid delivery as follows:
 - a) Upon delivery not including set-up or mounting if the delivery ready-for-operation was either transferred for shipment or picked up. Upon the orderer's request and at his expenses, the delivery will be insured against usual risks of transportation.

- b) Upon delivery including set-up or mounting upon the day of receipt in the orderer's own operation or if appointed after satisfactory first operation.
- (2) If the shipment, the delivery, the beginning or the performance of the set-up or mounting is delayed upon the orderer's request or at his liability, the perils shall be transferred to the orderer.

8. Warranty

- (1) The orderer shall inspect the consignment immediately upon delivery. If the consignment shows obvious defects or if a consignment obviously other than the one which was ordered has been delivered, the orderer shall immediately notify the supplier in writing, however within 1 (one) week's time. Otherwise the delivery shall be considered approved as far as the orderer is a merchant to the extent of the commercial code or a legal entity of public law.
- (2) The supplier shall not assume liability for defects which result from improper treatment of the consignment.
- (3) The supplier shall assume liability for defects as follows:
- a) All those parts or performances shall be repaired or performed again free of charge at the supplier's choice which within three months' time to be counted from the transfer of perils – regardless of the operating time - cannot be used any further as a proven result of a defective making, poor material or poor construction or whose usability was substantially affected. The supplier's choice is extended to the place of repair, too. As the case may be, the buyer shall send at his own cost and at his own risk the matter which is to be repaired to the supplier's factory. The supplier shall not assume liability for the replacement of typical wear and tear parts. With regard to third-parties' products, the supplier's liability shall be limited to the assignment of those liability claims which he is entitled to against the supplier of the third-party products. The supplier shall be immediately given notice in writing of those defects found, however at the latest within 1 (one) week's time consecutive to learning of them.
- b) The orderer is bound to observe the contractual obligations, in particular the payment conditions which have been agreed. If a notice of defects is asserted, the orderer's payments may be retained to that extent which reflects the fair proportion of the defects which have shown. If the contract belongs to the operation of a trade, the orderer may retain payments only if a notice of defect that is beyond any doubt is sent.
- c) With regard to the repair of defects, the orderer shall grant the supplier a reasonable period of time of at least 14 (ten) days. If he refuses to do so, the supplier shall be exonerated from liability for defects.
- d) If the supplier fails to observe a reasonable period of grace which was granted to him without performing the repair or if the repair is impossible or the supplier refuses the repair, the orderer shall be entitled to the right of mitigation. If the orderer and the supplier fail to agree upon mitigation, the orderer shall be entitled to rescind the contract.
- e) In all cases, the rights of warranty shall come under the statute of limitation within 12 (twelve) months' time, to be counted from the limitation which is prescribed by law. As far as the Civil Code (BGB) stipulates extended periods, these shall be applied.
- f) The liability for defects shall not be related to usual wear and tear, and furthermore not to damages which result from the transfer of perils as a consequence of non-conforming or negligent treatment, excessive exposure, improper operating means, defective construction works, improper soil and impacts of chemical, electro-chemical or electric impacts, which are not required according to the contract.
- g) The liability for consequences which result from modifications or repair work that may have been performed improperly on the side of the orderer or third-parties shall be revoked.
- h) Further claims on the side of the orderer against the provider and his agent shall be excluded, notably the compensation for damages which did not occur on the object of delivery itself. This shall not apply as far as the law stipulates a liability in cases of premeditation and gross negligence.
- i) The sub-sections a) to h) shall apply accordingly to those claims of the orderer for repair, replacement delivery, or indemnification which result from proposals or consulting that have been performed prior to the making of the contract or from the breach of a contractual duty of contract.

9. Impossibility and Adaption of Contract

- (1) If the delivery is impossible, the orderer shall be entitled to demand indemnification. However, the

orderer's right for indemnification shall be limited to 10 (ten) per cent of that part of the delivery which cannot be used by reason of the impossibility. This limitation shall not apply as far as a liability is stipulated by law with regard to cases of premeditation, gross negligence or injury of life, body or health. The right for a rescission of contract shall be exonerated.

- (2) If unforeseen events to the extent of paragraph 5 (2) modify substantially the economic meaning or the contents of the delivery or performance or exert a substantial impact on the supplier's operation, the contract shall be reasonably adapted. As far as this is not justified in terms of business, the supplier shall be entitled to rescind the contract. If he wishes to make use of his right for rescission, he shall be bound to inform the orderer immediately thereof as he learns of the extent of this event, namely in such case, too, in which an extension of the delivery period was initially agreed.

10. Additional Claims of Indemnity and Limitation

- (1) Other claims for indemnity of the orderer against the supplier are excluded regardless of any legal grounds, especially owing to injury of duties of contractual obligation and of unallowed action.
- (2) This is not valid as far as liability is conclusive, e.g. according to law of product liability, in cases of premeditation, gross negligence, because of injury of life, body or health or because of injury of essential contract duties. The claim of indemnity for injury of essential contract duties however is limited to the contract typical damage, which can be foreseen, as far as there is no premeditation or gross negligence or will be liability because of injury of life, body or health. An alteration of proof burden to the detriment of the orderer is not connected with the preceding regulations.
- (3) As far as the orderer is entitled to indemnification the claims shall come under the statute of limitation as written in paragraph 8 (3)e . Same applies to claims of the orderer in connection with resistance of damage (e.g. recall activities). In case of indemnification regarding to the law of product liability the legal statutes of limitation are valid.

11. Court of Jurisdiction and Applicable Law

- (1) If the orderer is a merchant, the general court of jurisdiction shall be at the supplier's choice his headquarters or subsidiary with regard to all disputes which result mediately or immediately from the contractual relation.
- (2) With regard to the contractual legal relations, German law shall apply. The application of the UN Convention on Contracts for the International Sale of Goods (CSIG) shall be declared non-applicable.

12. Final Clause

If one or more clauses contained in the contract including the GTCSO should be held entirely or partially invalid or if the contract contains a gap of provision, the effectiveness of the contract and the remaining provisions shall not be affected as far as the parties to the contract can be expected to accept so. In lieu of the provisions invalid or missing the respective statutory provisions shall be applied.