

**General Conditions
for the Sale of Products of
Weiss Electronic GmbH**

I. General Provisions

1. The following terms and conditions and any supplementary statute shall apply exclusively to all sales from Weiss Electronic GmbH (hereinafter: "Supplier") which have been contractually agreed after 01.01.2002. Business terms and conditions of the Customer (hereinafter: "Customer") which contradict or diverge from these business terms and conditions will not be accepted, unless the Supplier has expressly consented thereto in writing.

2. If an agreement is concluded despite contradictory terms and conditions of purchase and sale the statutory provisions shall apply with regard to the contradictory clauses and the provisions taken into consideration only by the Customer.

3. These business terms and conditions shall apply exclusively vis-à-vis companies, legal persons under public law and separate public property within the meaning of Sec. 310 (1) German Civil Code.

4. The terms and conditions shall also apply to all future sales between the Supplier and the Customer.

II. Offer, Conclusion of Contract

1. In as far as the Customer makes a contractual offer he shall bind himself to his offer for two weeks.

2. A purchase agreement is considered to have been concluded if the Supplier confirms the acceptance of the order within this period or executes the delivery. If the Supplier executes the delivery after expiry of this period the agreement shall also be deemed to have been concluded in as far as the Customer does not return the merchandise without undue delay.

3. The Supplier shall bind himself to his contractual offer for a period of one month, unless he stipulates in his offer another period to which he binds himself or reserves the right to withdraw the offer at will.

4. Oral collateral agreements made before the conclusion of the agreement shall only be valid in written form.

5. All information in catalogues, brochures, type lists, data sheets and other advertising documents, in

instructions, specifications and other technical supply conditions, in certificates and in other forms represent quality descriptions are not guarantees within the meaning of Sec. 276 (1) German Civil Code.

6. If the transaction refers to supplies or services which are subject to further technical development the Supplier is entitled to deliver the latest version, provided that the latter represents a product improvement vis-à-vis the ordered merchandise. In this event the Customer may only rescind the agreement if he is demonstrably no longer interested in delivery as a consequence of the change.

7. The Supplier shall retain the unrestricted right to all ownership rights and copyright in documents such as illustrations, drawings, information relating to weights and measures and estimates which the Supplier gives to the Customer in execution of the agreement. Before passing such information on to third parties the Customer shall obtain express written consent from the Supplier. Drawings linked with offers and other documents shall be returned without undue delay if requested if the Supplier is not awarded the order.

III. Scope of Supply

1. The written declarations of both parties are definitive for the scope of the supply, in as far as they comply. If an order has been given without such concurring declarations from both parties the written order confirmation of the Supplier is definitive for the scope of the deliveries, unless the Customer contradicts this without undue delay.

2. Part deliveries are permissible to the extent that they are reasonable for the Customer.

IV. Prices

1. Prices are ex works in Trier excluding packaging, postage costs, insurance and value added tax. The value added tax shall be itemised separately in the invoice with the tax rate prevailing at the time of delivery.

2. In the case of delivery periods of more than 2 months the Supplier is entitled to increase the agreed prices by the price increases which have occurred during the manufacturing process and for which he is not responsible.

3. Packaging requested by the Customer or considered necessary by the Supplier and delivery costs shall

be calculated at the cost prices prevailing at the time of delivery.

4. If the Supplier has taken over the construction or assembly at the request of the Customer and no other agreement has been reached, the Customer shall pay both the agreed remuneration and all necessary ancillary costs, such as travel costs, costs for transport and tooling as well as the costs under the collective bargaining agreement for board and lodging (daily allowances).

V. Disposal of old devices and Return of Packaging

1. The buyer assumes the duty of disposing the delivered goods according to the conditions of usage at one's own expense in compliance with legal regulations. The buyer indemnifies the supplier from the obligation according to Sec. 10 (2) Electrical and Electronic Equipment Act (ElektroG) and therefore from related third party claims.

In as far as the Supplier is obliged under statute to take back transport packaging, secondary packaging or sales packaging the Customer is entitled to return such packaging to the place of business of the Supplier, in as far as this takes place within usual working hours. The cost for return transport of the packaging to the Supplier shall be borne by the Customer. Furthermore, the Customer shall return the packaging clean, free of foreign bodies and sorted according to various types of packaging. If this duty is not fulfilled the Supplier is entitled to charge the Customer for the extra costs incurred.

VI. Terms of Payment

1. In as far as no other agreement has been reached, the invoiced amount shall be due for payment within 14 days after receipt of the invoice without discount.

2. The Customer shall make payments at the domicile of the Supplier at the cost and risk of the former. The Customer is only entitled to pay by cheque or bill of exchange if this has been agreed separately with the Supplier. The Customer is then obliged to reimburse the Supplier for the exchange and discount charges which the latter has incurred and which he has documented.

3. In as far as the Customer pays the purchase price by cheque, bill of exchange or otherwise, the purchase price debt shall only be cancelled when the counter value has been

credited finally and without reserve on the account of the Supplier. Not until this point shall the reservation of title of the Supplier under X. be cancelled.

4. Derogating from Sec. 286 (3) German Civil Code the Customer shall also be in default if he does not make the payment owed within the payment period stipulated under VI. no. 1 (Sec. 286 (2) no. 2 German Civil Code).

5. If part payments have been agreed the total remaining price shall become due for payment if the Customer is in default with an instalment in whole or in part for longer than 14 days. The Supplier is also entitled to demand payment of the entire purchase price, if after the end of the agreement deterioration in the financial position of the Supplier occurs or is noted for the first time, the counter-consideration of the Customer appears jeopardised and the Supplier has previously demanded and set a deadline in vain that the Customer pay a reasonable security for the deterioration in the financial position which has occurred.

6. The Customer may only set off with undisputed, recognised or final and absolute counter-claims.

7. The Customer may only appeal to retention rights vis-à-vis claims of the Supplier in as far as the counter-claims are undisputed, recognised or final and absolute.

VII. Reservation of Self-supply; Deliveries, Deadlines and Reminders from Customer

1. The Supplier is entitled to rescind the agreement in as far as he has concluded a hedging transaction concerning the merchandise supplied or the components required for production with the usual care and the delivery is not made or not made on time for reasons for which the Supplier is not responsible (Reservation of Self-supply).

2. The observance of agreed delivery deadlines is dependent on the timely receipt of all advance performances to be provided by the Customer (in particular, documents, permissions and releases to be supplied, e.g. plans) the observance of the agreed payment conditions and other obligations by the Customer. If these preconditions are not fulfilled in time the deadlines shall be extended by the length of the delay which has occurred. This shall not apply if the Supplier is responsible for the delay.

3. The delivery times shall also be extended if the Supplier is prevented from meeting the agreed deadlines

owing to circumstances which occurred after conclusion of the agreement and for which he is not responsible (in particular force majeure, industrial action, strike, unforeseeable interruptions to business or unavoidable shortages of raw materials and other unforeseen occurrences for which the Supplier was not responsible).

4. If circumstances based on unforeseen occurrences for which the Supplier was not responsible lead to performance becoming impossible, presumably on a permanent basis, after conclusion of the purchase agreement the Supplier is entitled to rescind the agreement after four months calculated from the occurrence of the impediment.

5. Reminders from the Customer shall be made in writing.

VIII. Place of Performance, Transfer of Risk

1. Unless otherwise agreed by the parties the place of performance and fulfilment shall be the domicile of the Supplier.

2. The risk of accidental loss passes to the Customer when the merchandise is handed to the forwarder or freight carrier. At the wish and cost of the Customer the consignment may be insured by the Supplier against risks stipulated by the Customer.

3. If the dispatch or service of merchandise is delayed for reasons for which the Supplier is responsible the risk shall be transferred to the Customer with effect from the day on which the merchandise is ready for dispatch. However, the Supplier is obliged at the wish and the cost of the Customer to conclude the insurance policies requested by the Customer in as far as the Customer makes a reasonable down-payment to the Supplier here for.

IX. Delay in Acceptance

1. If dispatch or service is delayed by more than one month after the merchandise is ready for dispatch at the request of the Customer or by reasons for which he is responsible, the Supplier may charge the Customer for storage costs for each month commenced in the amount of 5 % of the price of the merchandise to be delivered and a maximum of 0.5 %. Both parties to the agreement are at liberty to prove that higher or lower storage costs have been incurred.

2. If the Customer delays in accepting the merchandise or if he negligently breaches other duties of cooperation the Supplier shall also be entitled to demand the replacement of all other extra costs incurred hereby.

X. Reservation of Title

1. The Supplier shall retain ownership in the purchased merchandise supplied by him until the purchase price has been paid in full, including all ancillary claims (e.g. costs incurred by bills of exchange, financing costs, interest) and all claims which had already arisen at the time of the conclusion of the agreement.

2. If there is a current account relationship between the Customer and the Supplier the reservation of title shall not be cancelled until all claims of the Supplier from the business association have been satisfied. The approved balance shall be definitive herefor.

3. In the event of negligent conduct of the Customer in breach of the agreement, in particular default in payment, the Supplier is entitled to take the merchandise back. Taking back the merchandise shall not constitute withdrawal from the agreement unless the Supplier makes an express written statement to this effect.

4. The Customer is obliged to treat the merchandise purchased with due care as long as there is retention of title.

5. The Customer is not permitted to pledge the object purchased or to transfer it by way of security without the prior written consent of the Supplier, as long as there is retention of title. In the event of pledges, seizures or other disposals or interventions by third parties the Customer is obliged to notify the Supplier in writing without undue delay and to notify such third party of the Supplier's retention of title. If the third party is unable to reimburse the costs incurred in court and out of court of a successful third party claim in opposition pursuant to Sec. 771 German Code of Civil Procedure, the Customer is liable for the damages incurred hereby.

6. The reservation of title shall be extended as follows:

a) The processing or alteration to reserved merchandise shall always be carried out for the Supplier by the Customer. If the merchandise is processed with other items not in the ownership of the Supplier the Supplier shall have joint ownership in the new



merchandise in proportion to the value of the reserved merchandise (invoiced amount plus turnover tax) to the other processed merchandise at the time of the processing. The merchandise which is created through processing shall also provide the Supplier with the same security as the reserved merchandise. Contingent rights of the Customer in the supplied merchandise shall also exist after the processed merchandise has been processed.

b) If the merchandise under reservation of title is inextricably mixed or linked with other merchandise the Supplier shall become joint owner of the new merchandise in proportion to the value of the reserved merchandise (invoiced amount plus Value Added Tax) to the value of the other mixed or linked merchandise at the time when the merchandise is mixed or linked. If the merchandise is linked in such a way that the merchandise of the Customer can be regarded as the main component, the Supplier and the Customer hereby agree that the Customer shall transfer the co-ownership in the merchandise to the Supplier to the extent set out in sentence 1 and hold the co-ownership which has thus arisen in safekeeping for the Supplier.

c) The Customer is entitled to sell on the reserved merchandise in the ordinary course of business under usual business conditions. The Supplier may revoke the authority to sell on the merchandise if the Customer is in default.

7. The Customer hereby assigns his claims from further sale, further processing, linking and mixing to the Supplier in the amount of the gross invoice value of the reserved merchandise. If the Customer and his purchaser or client have a current account relationship the assignment shall also apply to the current account claim, even if this has not been determined and approved.

8. The Customer is entitled to collect the claim assigned under (7) in its own name. However, he is obliged to pay the Supplier the proceeds collected, provided that they do not exceed the due claims of the Supplier vis-à-vis the Customer. The Supplier is entitled to revoke the direct debit authorisation as soon as the Customer is in default with payment. In such an event the Customer is obliged to make the assigned claims and the respective debtors known to the Supplier and to provide all documents necessary for asserting the claim and issue the information necessary for collection.

9. If the realisable value of the existing securities (conditional merchandise,

joint property, assignment of securities) exceeds the Supplier's claims — not merely temporarily — by over 10 % the Supplier is obliged at the request of the Customer to release securities as far as the value exceeds an amount of 110 % of the Suppliers claims. The securities to be released shall be selected by the Supplier.

XI. Warranty Claims; Liability for Breaches of Contract

1. If the merchandise supplied is defective at the time of the transfer of risk the Supplier is entitled to choose, derogating from Sec. 439 (1) German Civil Code, either to deliver merchandise free of defect or to improve the merchandise delivered. If the defect is remedied the Supplier is obliged to bear all costs for expenses required, in particular, transport, transit, work and material costs in as far as such are not increased because the purchased merchandise was delivered to a place other than the domicile or the commercial branch of the Customer without this corresponding to the use which was intended. The Supplier is only obliged to reimburse dispatch costs incurred in connection with the subsequent fulfilment which are in excess of the charges made by the postal service of the Deutsche Bundespost if he expressly consented in advance to the dispatch procedure selected by the Customer.

2. In the event of an inconsiderable reduction in the value or the suitability of the supplied merchandise the Supplier is entitled - in addition to Sec. 439 (3) German Civil Code - to refuse subsequent performance pursuant to Sec. 437 (1) German Civil Code and instead of subsequent performance to refer the Customer to the rights pursuant to Sec. 437 (2) German Civil Code (reduction or rescission). This shall not apply if the Customer can prove that he has justified interest in a subsequent performance, despite the lack of importance of the defect, and the reduction or the rescission therefore does not represent any equivalent form of legal recourse; however, in this event the Customer may only demand subsequent improvement if the costs of the subsequent improvement are in reasonable proportion to the value of the purchased merchandise.

3. If the improvement or the replacement delivery is not successful (Sec. 440 p. 2 German Civil Code) the Customer may demand either reduction in the purchase price or rescind the agreement as he chooses. Further statutory claims to

compensation shall remain unaffected hereby.

4. Liability for defects is ruled out for damage which occurs after the transfer of risk as a result of faulty or negligent treatment, inordinate use, unsuitable operational means and external influences which goes beyond the use in compliance with the agreement. The Supplier shall also not be held liable for the consequences of a change to the purchased merchandise improperly carried out by the Customer or third parties. Unless otherwise agreed, the Supplier shall not provide any guarantee for circumstances which lie outside the purchased merchandise; this shall apply in particular to the ability to use the purchased merchandise with other components of the Customer or third persons.

5. If the Customer is a businessman within the meaning of German Commercial Code the provision of Sec. 377 German Commercial Code shall apply. In order to satisfy his warranty claims the Customer undertakes to carry out an inspection on receipt of merchandise and shall file objection in writing without undue delay to defects or other divergences which have been ascertained in breach of contract. The return of the purchased merchandise alone is not deemed to be a complaint. This duty to report complaints shall also apply to defects which occur repeatedly.

6. With regard to the purchased merchandise the Supplier shall be held liable for the negligent breach of essential contractual duties and for damage caused by the purchased merchandise and arising from negligent injury to life, body or health pursuant to the statutory provisions. In the same way the Supplier shall be liable for damage which is based on intentional or grossly negligent conduct or corresponding conduct of its representatives or agents and under the mandatory provisions of the Product Liability Act (Produkthaftungsgesetz).

In as far as the preconditions of sentences 1 and 2 are not satisfied, the liability to pay compensation in the event of contractual breach is ruled out; the Supplier is not held liable - notwithstanding sentences 1 to 3 - in particular for damage which has been sustained by items or legal merchandise other than the merchandise supplied.

7. There shall be no claim for the replacement of lost data caused by the purchased merchandise, in as far as the loss is based on circumstances for which the Supplier is not



responsible; this shall apply in particular if the loss was caused by the Customer or third parties or e.g. by inappropriate use or installation.

In as far as the Supplier is held liable by the Customer in the event of a loss of data under XI.6 of these supply conditions the Customer's claim for replacement is strictly limited to the replacement of that damage which is required to restore the lost data. Sentence 2 shall not apply in the event of intent or gross negligence of the Supplier, his representatives and his vicarious agents. Any further liability under the mandatory provisions of the Product Liability Act shall remain unaffected thereby.

8. In the event of defects or other divergences of the purchased merchandise the Customer may only demand compensation in lieu of performance pursuant to Sec. 281 German Civil Code, if, when setting the deadline, he clearly stated that if the deadline expired without success he would also claim compensation instead of performance or subsequent performance.

9. In cases governed by Sec. 438 (1) nos. 2 and 3 the period of limitations for faults and defects shall be 24 months with effect from the date on which the period of limitations begins under statute; Sec. 438 (3) German Civil Code shall remain unaffected thereby.

10. If the Customer gives notification of a defect and the Supplier then inspects the purchased merchandise and such merchandise turns out to be defect- and fault-free the Supplier is entitled to invoice the Customer for dispatch, inspection and return postage costs in the amount of EUR 150.00. The Customer shall bear the burden of proving that less expense has been incurred and the Supplier shall bear the burden of proving that greater expense has been incurred.

XII. Other Liability

1. Liability for compensation claims other than those provided for under XI. shall be ruled out, unless the Supplier, his representatives or his agents can be charged with intent or gross negligence.

2. Compensation claims based on mandatory provisions of the Product Liability Act (Produkthaftungsgesetz) and claims owing to bodily harm caused by negligence shall remain unaffected. This same shall apply to statutory compensation claims owing

to negligent impossibility or initial inability to perform.

3. In as far as compensation claims against the Supplier are ruled out this shall also apply with respect to the personal liability of the employees, workers, staff, representatives and agents to pay compensation.

4. If the Supplier is unable to carry out the above performance for reasons for which he is responsible the Customer is entitled to demand compensation. Compensation shall, however, be restricted to 10 % of the value of such portion of the consignment which cannot be used for its designated purpose owing to such impossibility. This shall not apply in as far as the Supplier is charged with intent or gross negligence.

5. If the Supplier is in default, the Customer may demand compensation for each complete week of the delay of 0.5 % of the price of the part of the delivery which could not be used expediently by the Customer owing to the default - in as far as the Customer provides prima facie evidence that it has suffered damage. Compensation shall however be restricted to a maximum 5 % of the price of such portion of the consignment which cannot be used for its designated purpose owing to such impossibility. Any compensation claims of the Customer in excess thereof are ruled out. Sentences 1 - 3 shall not apply in the event of intent or gross negligence.

XIII. Software

1. Control Software as Independent Ancillary Performance

a) If the agreement regarding the supply of electronic merchandise also covers as dependent ancillary performance the provision of control software which is required to operate the purchased merchandise (control software) the Customer is only entitled - subject to any derogatory agreement - to install and use the software delivered on appliances acquired by the Supplier.

b) The Customer is authorised to sell on and to dispose of the Control Software only in connection with the sale or disposition of technical appliances acquired by the Supplier; he is not entitled to dispose individually of the control Software which he has been given or to use it with appliances other than those acquired from the Supplier.

Disposition of software under sentence 1 is also permitted under the

condition precedent that the respective buyer expressly agrees to these business terms and conditions and confirms this to the Supplier in writing without undue delay.

2. Standard Software

The general statutory and contractual provisions including these General Terms and Conditions of Supply shall also apply to the sale of standard software. Unless otherwise agreed, the General Terms and Conditions of Supply regarding Control Software (XIII. 1) shall, however, not apply to the Sale of standard software.

3. General Provisions for Standard and Control Software

a) In order to ensure the future use of standard or control software the Customer is entitled to make a maximum of two copies of the software acquired.

b) The Customer is not entitled to reverse engineer, decompile or disassemble standard or control software in as far as he is not expressly permitted thereto under contract or on the basis of mandatory statutory provisions.

c) The Supplier is only liable for a loss of data of the Customer pursuant to the preconditions set out under XI. and XII. of these business terms and conditions.

XIV. Industrial Property Rights and Copyrights

1. If a third party maintains or asserts a breach of industrial property rights or copyright (hereinafter: "Protected Rights") vis-à-vis the Customer with regard to the supplied merchandise or the software delivered the Customer undertakes to inform the Supplier hereof in writing without undue delay. The Supplier is entitled to hold negotiations regarding the resolution of a legal dispute at its own costs; the Customer shall support him to a reasonable degree.

2. In as far as a third party files justified claims against the Customer owing to the breach of a Protected Right by products used in compliance with contract and supplied by the Supplier, the Supplier is held liable vis-à-vis the Customer in the following way:

a) The Supplier shall choose either to obtain the required licences and utilisation rights at his own cost or shall provide the Customer with a product which will remedy breach of the Protected Right. In as far as the



Supplier is unable to do so with reasonable economic expense he is entitled to withdraw the product in return for reimbursement of the purchase price; any further claims of the Customer are ruled out - subject to XI. and XII. of these business terms and conditions.

b) The above obligations of the Supplier are ruled out if the supplied merchandise or software products were prepared in accordance with drafts or instructions of the Customer or the Customer is responsible for the breach of the Protected Right in another way. Sentence 1 shall not apply in as far as the Supplier is charged with intent or gross negligence.

c) The above obligations of the Supplier shall also be ruled out if the Customer recognises the claim made by the third party without the approval of the Supplier or otherwise negligently hinders the defence relating to the reproach of the breach of the Protected Right, unless he proves that the claims of the third party were rightly filed and his conduct has not had any detrimental influence on the implementation of these claims.

d) XI. and XII. of these business terms and conditions shall also apply to the liability owing to breaches of Protected Rights.

3. If the purchased merchandise or software products of the Supplier have been prepared in accordance with drafts or instructions of the Customer and if the products manufactured by the Supplier breach Protected Rights of third parties the Customer shall release the Supplier from all claims of third parties which have been filed owing to the breach and any costs required for legal defence. A reasonable down payment shall be made for any litigation costs.

XV. Supplementary Business Terms and Conditions

In as far as the performance of maintenance work or other services is agreed in addition to the delivery the separate General Business Terms and Conditions for Services shall apply in the event of maintenance being required.

XVI. Jurisdiction

The place of jurisdiction shall be the place of business of the Supplier. The Supplier is also entitled to file suit against the Customer before the courts at the latter's place of residence or business.

XVII. Applicable law

The contractual relationship shall be subject to substantive law of the Federal Republic of Germany, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).