

# General Terms and Conditions of Delivery and Payment

## IMS Connector Systems Group

IMS CS Kft, Sopron (Hungary)  
IMS CS (UK) Ltd., England

IMS CS (Suzhou) Co. Ltd., China  
IMS CS Inc., USA

IMS CS ApS., Denmark  
IMS CS GmbH, Löffingen (Germany)

- I. General:** This agreement is made solely and exclusively between and among the Customer and the company of the IMS CS Group which confirms and acknowledges the work and services – hereinafter the Supplier.  
Unless expressly agreed otherwise in writing, the following general terms and conditions apply to all – also future – deliveries. Supplier herewith contradicts and opposes any of Supplier's contradicting or supplementary terms and conditions.
- II. Offers and Extent of Delivery:** **1.)** Unless expressly referred to as binding, data and information such as illustrations, drawings, or details concerning weight and dimensions accompanying an offer are only approximate. The supplier reserves title to and copyrights on cost estimates, drawings, and other documents. Such documents may not be made available to third parties. The supplier is obligated to make those plans designated by the customer as confidential available to third parties only with the customer's permission. **2.)** Supplier's offers are not binding. Contracts come into being only upon supplier's written confirmation or by delivery. The requirement that confirmation be in writing is also met when confirmation is by means of telefax, telecommunication, or email. Supplier's employees are not authorized to make oral collateral agreements or promises going beyond the contents of the written contract or to change these general terms of business to supplier's disadvantage.
- III. Expenses for Tools:** Even in those cases in which the customer is obligated to pay part of the expenses for tools, the customer acquires no claims to the tools at the end of the contract.
- IV. Price and Payment:** **1.)** Unless there are special agreements, prices are ex works, include loading at the plant, but do not include packaging. Value added tax (sales tax) in the amount that is due at the time of the contract will be added to the prices. **2.)** Unless there are special agreements, payment must be made freely disposable at supplier's domicile within thirty (30) days from the date of the invoice without any discount. Payments apply only to the extent that supplier can freely dispose of them at a bank. Checks are not considered to be payment until the check is honored by a bank. Bank fees are due immediately and are borne by the customer. **3.)** The customer may withhold payments or offset claims only to the extent that the claims are undisputed or legally binding. **4.)** Should payment be delayed, or should the customer fall into arrears, interest of 8% above the base interest rate (§ 247 BGB) in effect at the time or of 10%, whichever is greater, will be charged. **5.)** If the supplier is capable of providing proof that the damage of loss caused by default was greater, supplier shall be entitled to assert such claim. **6.)** If the customer is in full or partial default of payment for a period exceeding 30 days, or if insolvency proceedings are instituted over the customer's assets, supplier shall notwithstanding further rights be entitled to forthwith call due all claims against the customer, retain all deliveries and services, and claim all rights from the reservation of title under No. VII herein.
- V. Delivery Period:** **1.)** The delivery period begins when the contract confirmation is sent, however not before the customer has provided any documents, authorizations, releases that he must supply, or before any advance payment to which has been agreed has been received. **2.)** The delivery deadline has been met when, before its expiration, the goods have left the plant or the customer has been notified that the goods are ready to ship. **3.)** Customer's requests for modification, as well as events that are unforeseen, unavoidable, and beyond supplier's control (e.g., strikes and lockouts; stoppages; difficulties in obtaining materials or energy; transportation delays; scarcity of labor, energy, or raw materials; or actions by administrative bodies, as well as difficulties in obtaining authorizations, in particular import and export licenses), extend the delivery period appropriately. This term also applies when such difficulties affect our suppliers. Should the difficulty not only be temporary, both parties to the contract have the right to withdraw. In such cases, claims for damages are excluded. **4.)** Should delivery be delayed, supplier's liability is, in cases of ordinary negligence, limited to a lump sum payment of 0,5% for every full week of delay, with a maximum of 5% of the invoiced value of the delayed goods. Claims for damages instead of performance according to Paragraph 12 are not affected thereby. **5.)** Should delivery be delayed at the customer's request, beginning one month after he has been notified that the goods are ready to ship the customer will be charged the storage costs or, for storage of the goods on the supplier's premises at least 0,5% of the invoice value for every month of storage. However, after setting an appropriate deadline after the deadline has expired without results, the supplier has the right to withdraw from the contract and to demand damages. **6.)** Meeting the deadline requires the customer fulfilling his duties arising from this contract.
- VI. Assumption of Risk and Acceptance:** **1.)** At the latest, the customer assumes risk upon shipment, also in those cases in which partial deliveries are made or the supplier provides other services, e.g., payment for transportation costs, or delivery and installation. **2.)** Should delivery be delayed for reasons that are beyond the supplier's control, the customer assumes risk as soon as he has been notified that the goods are ready to ship. However, if the customer so requests, the supplier is obligated to insure the goods to the extent that the customer requests and at his expense. **3.)** Partial deliveries in reasonable amounts are allowed.
- VII. Retention of Title:** **1.)** The supplier retains title to the delivered goods until all the supplier's claims against the customer arising from business contacts, including future claims, claims from contracts concluded at the same, or from contracts concluded at later times, have been satisfied. This retention of title also applies when individual or all claims of the supplier have been included in a current invoice and the balance has been drawn and recognized. **2.)** Unless the customer has proven that he has insured the goods against theft, breakage, damages caused by fire or water; and against other damage, the customer will insure the delivered goods at his own expense. The customer herewith cedes to the supplier any claims from the insurance policies in advance. **3.)** The customer may sell and process the goods only in the course of normal business. Should third parties want to claim or exert rights to the conditional goods, the customer must inform the supplier thereof without delay. **4.)** The customer processes the conditional goods on supplier's behalf, without creating liability on supplier's part. Should the conditional goods be incorporated or mixed with other goods, the supplier obtains title to the newly manufactured goods in the relationship of the invoiced value of the conditional goods to that of the other goods. **5.)** The customer assigns all claims arising from the further sale of the conditional goods to the supplier in advance. The supplier accepts the assignment of claims. The customer collects the assigned claims for the supplier. The right to collect the claims expires when the customer is in delay of payment or when his financial circumstances have worsened significantly, in particular upon application for a decree of insolvency. In such cases, the customer also may not continue to process the goods. The customer must then inform his debtors of the assignment, give the supplier all information necessary to collect his claims, and surrender the applicable documents. Repossession of the delivered goods by the supplier does not constitute withdrawal from the contract. Should the supplier withdraw from the contract, he may sell the goods on the open market. **6.)** The supplier obligates himself to release collateral until the value thereof exceeds the value of the secured claims by no more than 10%.
- VIII. Liability for Defects in the delivered Goods:** **1.)** Defects must be reported to the supplier in writing without delay, in any case within one week after the goods have been received. Hidden defects have to be reported in writing without delay, in any case no later than three days after they have been discovered. Should these deadlines be exceeded, all rights to liability for defects expire. The statutory period of limitation is twelve (12) months after delivery. A customary deviation of 10% does not constitute a defect. **2.)** In case of legitimate complaints, the supplier has the choice of delivering replacement goods or repairing the defect. Should a replacement delivery also contain defects, or should the repair be unsuccessful, the customer may, after an appropriate deadline has expired without results, demand a reduction in price and, should the defects be not insignificant, additionally withdraw from the contract and, in accord with the conditions in paragraph IX, demand damages instead of performance. Repair or replacement expenses arising because the purchased goods have been moved after delivery to another location than the customer's place of business will not be assumed. **3.)** In the case of essential purchased components, the supplier has the right at first to limit his liability to the assignment of the rights to liability for defects due him from the supplier of the purchased components. Should the customer not be able to satisfy his claims from the assigned rights or the assigned claims not be able to be asserted for other reasons, the customer has the rights due him from Paragraph VII.2. **4.)** For the performance of all repairs and of all replacement deliveries that the supplier reasonably deems necessary, the customer must provide, after agreement with the supplier, him with appropriate time and opportunity, otherwise the supplier is freed from the obligation to repair or replace the delivered goods. Only in those cases of threats to the operational safety and in order to prevent excessively great damages, or in those cases in which the supplier is unable to repair the defect within a reasonable period of time, may the customer, after immediately notifying the supplier, repair the defect himself or have the defect repaired by a third party and demand compensation for the necessary expenses of this repair from the supplier. **5.)** The supplier is not liable for defects in the delivered goods appearing during processing (e.g., milling heat treatment, grinding, etc.) and due to the customer having provided defective material or incorrect information about the material. In such cases, the customer is also entitled to the payment upon which was agreed. The customer bears the costs of the necessary investigations of the materials. Should goods about which have been complained be treated or processed without the supplier's written agreement, liability for defects expires. **6.)** Improper changes to, or installation of the goods by the customer or a third party without supplier's prior permission terminate the supplier's liability for the consequences thereof.
- IX. Liability:** Any further claims for damages against the supplier arising for whatever reason shall be ruled out if supplier, its legal representative or its vicarious agent have caused the damage or loss through ordinary negligence. This disclaimer of liability does not apply in the event of injury or personal damage or loss of life, or in the event of breach of essential contractual duties which jeopardises the performance of the subject matter of the agreement. In case of warranty claims, liability is, however, limited to its scope, in case of ordinary negligent breach of essential contractual duties to the damage or loss predictable for this type of agreement. Claims arising from the product liability laws remain in full force and effect.
- X. Final provisions:** **1.)** For all disputes arising from, or in connection with, this agreement and provided that Customer is a full merchant, a legal entity under public law or a special fund under public law, legal action must be taken at the Court with jurisdiction for Löffingen (Germany). Supplier shall also be entitled to take legal action at Customer's principal place of business. **2.)** This agreement is governed by German law. The UN Convention on the International Purchase and Sale of Goods of 11 April 1980 shall be ruled out. **3.)** In the absence of other understandings, place of performance for all work and services under the delivery agreements shall be at the registered place of business of each Supplier.