

**General Terms and Conditions of Delivery and Payment**  
**of**  
**IMS Connector Systems Kft, Hungary relating to International Business**

**I. Scope**

1. The following General Terms and Conditions of Delivery and Payment apply exclusively to all deliveries of goods and services - now and in the future - (hereinafter referred to collectively as "**Deliveries**") by IMS Connector Systems Kft, Hungary (hereinafter "**Supplier**") to customers within the meaning of Clause I. 2., unless otherwise expressly agreed in writing. The Customer's terms and conditions shall not form part of the contract even where the Supplier fails expressly to rule out the inclusion of such terms and conditions.
2. These General Terms and Conditions of Delivery and Payment apply only to traders (hereinafter referred to as "**Customer**").

**II. Conclusion and Terms of the Contract**

1. Contracts come into effect by way of written order confirmation from the Supplier.
2. Documents provided by the Supplier in connection with the contract, such as pictures, drawings and indications of weight and size, are only approximate values unless expressly labelled as binding and any liability in connection with such documents is hereby expressly excluded, to the extent permitted by law. The Supplier reserves title and copyright to cost estimates, drawings and other documents which the Supplier makes available to the Customer; they must not be disclosed to third parties without the prior written consent of the Supplier.
3. The Supplier's offers are non-binding. Unless otherwise indicated in the order, the Customer is bound by its order for a period of 14 days as from the order date. Contracts only come into effect by way of the Supplier's written order confirmation, or on delivery by the Supplier.

**III. Price and Payment**

1. In the absence of a special agreement, prices are in euro and apply ex works from the Supplier's delivery premises as specified in the order confirmation (EXW pursuant to Incoterms® 2010) excluding the costs of packaging and any value added tax.
2. Where the delivery period is longer than 2 months, the Supplier is entitled to increase the agreed prices accordingly if, following conclusion of the contract, there are major changes in the cost of wages, supplies, energy or raw materials, and the Supplier is not responsible for these changes. Where the price increase exceeds 5%, the customer is entitled to rescind the contract within two weeks of receiving written notification of the price increase.
3. In the absence of a special agreement, payment must be made within 30 days from receipt of the invoice, without deduction, to the Supplier's bank account. Payments are only deemed to have been made to the extent that they have been cleared by the Supplier's bank. Cheques are only accepted on account of payment; bank charges shall be borne by the Customer. They are due immediately.
4. The Parties to the contract can agree that the Customer has to open an irrevocable and non-transferable documentary letter of credit via its bank (or a bank acceptable to the Supplier). In this specific case it is stipulated that the opening of the letter of credit is effected in accordance with the ICC Uniform Customs and Practice for Documentary Credits, UCP 600.
5. The Customer is only entitled to withhold payment or to set payment off against its counter claims insofar as the counter claims are undisputed or have been declared final and binding by the court or fulfill the statutory requirements of Art. 120 et seq. Swiss Code of Obligations.
6. In the event of delays in payment, the Supplier is entitled - without prejudice to any of its other rights and claims - to claim interest at a rate of 18% p.a. until full and final payment has been made. The Supplier is entitled to prove that it incurred a higher amount of loss as a result of the delay in payment. The Customer is entitled to prove that there was no or only minor loss as a result of the delay in payment.

**IV. Delivery, Delivery Period**

1. Unless otherwise agreed, delivery shall take place ex works from the Supplier's delivery premises (Incoterms® 2010). The delivery premises shall be specified in the Supplier's order confirmation.
2. Where the Customer fails to notify the Supplier in due time as to when and by whom transportation is to be carried out, the Supplier is entitled to conclude a customary transportation agreement at the Customer's expense and risk. Delivery periods or times specified in the order confirmation or otherwise agreed are approximate periods or approximate times and therefore non-binding.
3. The delivery period begins when the order confirmation is sent but not before provision of the necessary documents, consents or approvals to be obtained by the Customer, nor prior to receipt of an agreed advance payment or payment guarantee, nor before confirmation of an agreed letter of credit. The delivery period is deemed to have been complied with where the goods are ready for shipment prior to its expiry.
4. The Customer need not be notified of successful delivery.
5. Unforeseen, unavoidable events, for which the Supplier cannot be held responsible (e.g. force majeure, strikes or lockouts, operational breakdown, problems in the procurement of supplies or energy, transport delays, shortages in staff, energy or raw materials, official measures or difficulties in obtaining authorisations esp. import or export licences), shall extend the delivery period appropriately. This also applies where such circumstances obstruct sub-suppliers. Where the obstruction is not purely temporary, both parties to the contract are entitled to cancel the contract. In this case, claims for damages are excluded.
6. Requests for changes made by the Customer shall extend the delivery period until the Supplier has examined their feasibility and, provided the Supplier consents thereto, for the period required for introducing the new requirements into production. Where ongoing production is suspended due to the request for changes, the Supplier may bring forward and finish other orders. The Supplier is not obliged to keep production capacity free during the period of the delay.
7. Where shipment is delayed at the Customer's request or as a result of circumstances for which the Supplier cannot be held responsible, the Customer shall be charged for the costs of storage, and in the case of storage on the Supplier's premises, no less than 0.5% of the net invoice amount for each month of storage starting one month after notification of readiness for delivery. This shall be without prejudice to any additional statutory rights of the Supplier.
8. Compliance with the delivery period requires the Customer's contractual obligations to have been met.
9. Partial deliveries are permitted.
10. The Supplier is entitled to carry out its contractual obligations after expiry of the agreed delivery period if it notified the Customer that it would exceed the delivery period and specified a new delivery date. The Customer is entitled to object, within a reasonable period, to delivery being performed late provided it can show that late delivery is useless. The Supplier shall be liable for necessary additional expenditure incurred by the Customer as a result of the late delivery only in accordance with Clause IV.11.
11. The Supplier shall be liable for the consequences of late delivery only in the case of intent or gross negligence. In all other cases, liability on the part of the Supplier is excluded. The Supplier shall not be liable for the conduct of those persons or entities assisting it with performance of the contract.

**V. Right of Retention**

1. The Supplier may refrain from performance of its contractual obligations, in whole or in part, if, after conclusion of the contract, it becomes apparent that the Customer will not, or not fully, comply with its contractual obligations. This is particularly true where the Customer fails to comply, or fully comply, with its payment obligations towards the Supplier or third parties, or delays in complying with them.
2. The Supplier is not obliged to continue with performance even where the Customer provides security to guarantee counter performance which is contestable under the applicable insolvency rules.

**VI. Transfer of Risk, Requirement of Delivery by Own Suppliers**

1. The price and performance risk shall pass to the Customer, ex works from the Supplier's delivery premises (Incoterms® 2010), as soon as the goods are ready for shipment. This also applies in respect of partial deliveries or where the Supplier has assumed other responsibilities, e.g. conclusion of the shipping contract, shipping - including by way of its own transport personnel - shipping costs or delivery and installation.
2. The Supplier's delivery obligation shall be subject to the reservation of on-time and correct delivery by its own sub-suppliers unless the incorrect or late delivery by sub-suppliers was caused by the Supplier, at least as a result of gross-negligence. The Supplier shall not be liable for the consequences of non-performance or defective performance by the sub-suppliers and, if this has not been caused by the Supplier, either intentionally or by gross negligence, the Supplier can declare itself released from its delivery obligation to the Customer.

**VII. Reservation of Title**

1. The Supplier shall reserve title to the delivery object until payment, in full, of the purchase price and any ancillary charges. This also applies where individual or all claims by the Supplier have been included in a running account which has been balanced and approved.
2. The Customer shall sufficiently insure the delivery object against loss and damage, at its own expense, at the replacement value. The insurance policy and evidence of payment of the premiums must be submitted to the Supplier on request. The Customer hereby assigns to the Supplier any claims arising under the insurance contract subject to the condition subsequent that title passes. The Supplier accepts the assignment.
3. Where third parties assert, or wish to assert, a right to the reserved goods, the Customer shall notify the Supplier of this immediately. The costs arising as a result of defending an attachment of the reserved goods by a third party shall be borne by the Customer insofar as they cannot be recovered from the third party.
4. Any treatment or processing of the retained goods by the Customer shall be undertaken on our behalf without involving any obligations on the Supplier's part. Where the reserved goods are mixed or combined with other goods, the Supplier shall acquire co-ownership of the newly manufactured product in accordance with the ratio of the invoice value of the reserved goods to the other materials.
5. The Customer may only resell or make further use of the reserved goods or the new product in the usual course of business. The Customer hereby assigns to the Supplier all receivables arising from the resale or continued use of the reserved goods. The Supplier accepts the assignment. The Customer shall collect the assigned receivables on behalf of the Supplier. The Supplier can revoke the authorisation for collection of receivables and continued use if the Customer defaults on payment or where its financial circumstances deteriorate significantly, particularly in the case of an application to institute insolvency proceedings. The Supplier may then require the Customer to disclose the assignment to its debtors, to make available all the information necessary for recovery and hand over the accompanying documentation.
6. To the extent that the value of securities exceeds the Supplier's claims by more than 10%, the Supplier shall, at the Customer's request, release securities of its own choosing.

**VIII. Liability where Delivered Goods deviate from Contract**

1. The Supplier guarantees that, on delivery pursuant to Clause IV.1, the goods shall comply with the product characteristics expressly specified in the Supplier's written order confirmation.
2. A customary deviation in quantity of up to 10% or technical improvement of the goods shall not constitute a breach of contract.
3. The Customer shall examine the goods for visible breaches shortly after delivery pursuant to Clause IV.1 and notify the Supplier of the contractual breach within 14 days of discovery or detectability of the breach. In this regard, the Customer shall describe the type of breach in precise detail.
4. Where notification of a breach fails to comply with the contractual requirements, the Customer can only rely on the remedies to which it is entitled under these provisions if the Supplier had positive knowledge of the facts giving rise to the breach and failed to disclose them to the Customer.
5. The Supplier shall be liable under Art. 42 CISG to deliver goods which are free from any third party rights based on industrial property or other intellectual property only with regard to infringements within the Federal Republic of Germany. The Supplier declares however that (without having made a special investigation) he is unaware of any infringements of intellectual property rights in other countries.
6. In the event of legitimate objections, the Customer can only require rectification or, if this is not possible, replacement delivery of goods which comply with the contract. Cancellation of the contract, a reduction in the purchase price and rights to claim compensation are not available. This is not the case where the Supplier has willfully concealed the breach.
7. Statements by the Supplier about breaches notified by the Customer serve only to clarify the situation and do not constitute acknowledgement of a breach or of a notification of a breach made in due form.
8. Insofar as the breach arises from an integral third-party product, the Supplier is entitled, in the first instance, to restrict its liability to the assignment of the remedies to which it is entitled as against the supplier of the third-party product, unless satisfaction by way of the assigned rights fails or cannot be obtained for some other reason.
9. During the processing of materials supplied by the Customer - milling, heat treatment, grinding, etc., - the Supplier is not liable for defects caused by the fact that the Customer provided incorrect material specifications or incorrect material. In this case, the Supplier also has a right to the agreed remuneration. The costs of the necessary materials testing shall be borne by the Customer. Where rejected work pieces have been treated or processed without the Supplier's written consent, the Supplier shall not be liable.
10. In the case of modifications or repair work to the delivery object, carried out improperly or without the consent of the Supplier, the Supplier shall not be liable for the consequences arising as a result.
11. Claims by the Customer arising from the delivery of goods which do not comply with the contract shall lapse after 12 months from the date on which the risk passed (see Clause IV.1), unless the Supplier has willfully concealed defects or caused them intentionally or by gross negligence or the Supplier is liable under a guarantee, or for death, personal injury or damage to health caused by breach of contract.

**IX. Compensation**

1. Unless otherwise provided in Clause VIII., the Supplier shall be liable, irrespective of the legal basis, for loss incurred by the Customer only where such loss is caused by the Supplier's willful intent or gross negligence. In all other cases, liability on the part of the Supplier is excluded. The Supplier shall not be liable for the conduct of those persons or entities assisting it with performance of the contract.
2. The Supplier's liability for death, personal injury and damage to health; liability under the Product Liability Act and under guarantee, remains unaffected.
3. Claims in damages against the Supplier under Clause IV.11 shall lapse after 12 months from commencement of the statutory limitation period.

**X. Packaging**

1. Packaging arising in Germany, but not that attributed to the private end-user within the meaning of the German Packaging Regulations (VerpackV), can be returned to the Supplier at its place of business during the normal hours of business; the Customer shall bear the cost of return. Packaging must be returned clean, free of extraneous material and sorted according to type.

**XI. Written Form, Language, Place of Performance, Place of Jurisdiction, Applicable Law**

1. Amendments, additions as well as the agreed nullification of the contract must be in writing in order to be valid. The same applies to other declarations by the contractual partners which are required in order to establish, assert or exercise their rights, particularly notifications of defects, deadlines or unilateral declarations of annulment. Fax, remote data transmission and email are also deemed to constitute the written form. In all cases, the sender can only rely on notifications which have been received by the addressee. Where a notification, sent by registered post or via an internationally recognised courier service, is delayed, it shall be deemed to have been received on the date that it would have been received under normal circumstances.
2. All communications between the contracting parties and all declarations by them must be in German or English.
3. Unless otherwise agreed, the place of performance for delivery of goods shall be the plant in which they were produced; for all other performance under the contract with the Customer, the place of performance shall be the Supplier's head office.
4. Disputes, differences of opinion or claims arising under or in connection with the contract with the Customer, including its validity, invalidity, breach or cancellation, shall be decided by way of arbitration proceedings pursuant to the Rules of International Arbitration of the Swiss Chambers' Arbitration Institution. The Arbitration Rules as amended at the time of receipt of the Notice of Arbitration shall apply. The location of the arbitration proceedings is Zurich. The language of the arbitration proceedings is German.
5. Swiss law applies including the provisions of the UN Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG).