

General Purchase, Delivery and Payment Terms of Rood Technology Deutschland GmbH + Co**1. Scope of Agreement**

The provisions of these Delivery and Payment Terms shall apply exclusively for all deliveries, services and offers made by us. In addition, the "General Purchase Terms for Products and Services of the Electrical Industry" shall apply. Our Purchase and Payment Terms are also applicable for all future business relations, even if the parties have not again expressly agreed upon them. The customer is deemed to have accepted these terms at the latest on receipt of the products or services, unless he objects to them in writing within one week after receipt of the products. Conflicting and supplementary terms of the customer to which we do not expressly agree in writing, are not binding for us, even if we do not expressly object to them.

2. Offer and Conclusion of Agreement

Our offers are subject to change and not binding with regard to price, volume, delivery period and delivery possibility. Declarations of acceptance and all orders of the customer require our confirmation in writing or via fax in order to be legally effective. The same applies for amendments, modifications or supplements to this Agreement.

Specifications in brochures and other printings (for example measurements, weight, illustrations, other data of the product, etc.) are data which have been determined to the best of our knowledge, which become binding only by being fixed in the order confirmation. Our sales personnel is not entitled to orally agree upon supplements or warranties exceeding the content of the written agreement.

3. Prices

Our prices are ex works Nördlingen (fob); packing, insurance and the applicable VAT are not included. We are entitled to and adequate rise of the prices quoted in the order confirmation in case of an increase in the costs for material and production and with regard to imported goods in case of a modification of the customs tariff valid at the time of the import as well as in case of currency fluctuations.

If no fixed prices had been expressly agreed upon, the price applicable at the date of delivery of the respective products will be charged.

4. Delivery

4.1 The risk shall pass to the customer as soon as the consignment has been handed over to the person in charge of the transportation or has left our stock for the purpose of shipment.

4.2 Delivery dates and periods are only binding, if they have been agreed upon in writing. The delivery period begins with the date of the order confirmation. Our obligation with regard to the agreed delivery dates is fulfilled as soon as the products to be delivered have left the work/stock or as soon as the customer has been informed that they are ready for shipment before the expiration of the delivery period. The observation of the delivery period presupposes the fulfilment of the contractual obligations of the orderer.

4.3 In case of industrial actions, in particular strike and lock as well as in case of unforeseeable obstacles which are not within our control, in particular in cases of force majeure, as far as it can be proved that such obstacles considerably influence the completion or delivery of the product, the delivery period shall either be extended for the term of trouble or we shall be entitled by exclusion of damage claims to cancel this agreement. The customer shall not have the right to claim for damages based upon such termination. Should the acceptance of the products be unreasonable due to the delay in delivery, the customer shall be entitled to withdraw from this agreement.

4.4 Partial deliveries are possible unless they are unreasonable for the customer.

5. Payment

5.1 For the performance of services: 100 % net without deduction after invoicing has been made out.

Our services concerning systems are payable as follows; 90 % payable immediately after delivery, net without deduction, 10 % after technical acceptance, net without deduction.

For any other deliveries of products: 30 days net without deduction after delivery. Cash discounts are not provided for in our calculation. Therefore, an early payment does not qualify the customer for discounts.

5.2 If the customer is in delay with the payment in whole or in part, we are entitled to withdraw from any and all contracts with the customer, which he has not completely fulfilled and to claim damages due to the customer's non-compliance with his contractual obligations after lapse of the grace period to be set by us – notwithstanding our claims for damages due to delays in performance.

5.3 If after conclusion of a contract circumstances get to our knowledge which diminish the credit worthiness of the customer, we shall be entitled to effect any outstanding deliveries only against prepayment or if the customer provides us with a reasonable security. If the customer fails to fulfil our request for prepayment or security within an appropriate period of time, we are entitled to withdraw from any and all contracts with the customer which have not been completely fulfilled.

6. Patent and Copyrights

We reserve title and copyright concerning circuitries, drawings, designs, descriptions, expert reports, analyses, the entire software and similar documents as well as hardware like test adapters, load boards, socket adapters. As far as we place these documents, software or hardware at our customer's disposal, they only have a time limited right to use them. These data shall not be made accessible to third parties without our prior written approval.

The copying of such documentation without our prior express consent is prohibited. Any possible copies have to be handed back to us immediately upon our request.

7. Retention of Title

7.1 Title to the products delivered by us (in the following called "products subject to reservation") shall be retained by us until any and all claims (including future claims) against the customer and out of the business relation, inclusive all costs incurred, have been settled by the customer, whereas in case of payments by bill of exchange or by cheque, claims are considered to be settled at the date of payment of the cheque or the bill.

7.2 The processing and/or transformation of the products subject to reservation in the scope of the orderly business operations is admissible, with the proviso that the products subject to reservation have been processed and transformed in accordance with our instructions but without obligation on our behalf and that we are producers in the sense of Section 950 German Civil Code (BGB). Processed and transformed goods are regarded as products subject to reservation, the rights of the customer are continued to be in force.

If the retention title to the products subject to reservation expires as a result from the connection, combination, mixture of the products subject to reservation, the customer herewith assigns to us a claim of co-ownership of the main product(s), which corresponds to the amount of the invoice value of the products subject to reservation in the total value of the main products(s).

7.3 In case of a third person's attachment to the products subject to reservation, the customer will inform the third person that the products are owned by SES and shall notify us immediately.

7.4 In case the customer does not fulfil his contractual obligations, in particular with regard to delays in payment, we are entitled to withdraw from the contract after lapse of the grace period and the customer is obliged to return the delivered products to us. Unless the Instalment Purchase Act is applicable, the assertion of the retention of title as well as the seizure of the delivered product(s) by court authorities shall not be considered as a withdrawal from the contract.

7.5 The customer is entitled to resell the products subject to reservation within the scope of orderly business operations.

The customer herewith assigns to us all his future claims and secondary rights resulting from resale and insurance of the products subject to reservation inclusive any ancillary rights and all further claims insofar arising in the amount of the value of the delivered products, regardless of the legal ground. If the customer sells or insures products or supplies in the sense of para 7.2 of these Terms of if the customer sells or insures products subject to reservation together with other products, claims based on resale and insurance will only be assigned to us in the amount of the invoice value of the products subject to reservation.

7.6 The customer is entitled to recover in his own name the claims based on resales, which have been assigned to us in accordance with clause 7.5 of these Delivery and Payment Conditions. His authorization to recover the debt can be revoked by us, if the customer partly or fully fails to fulfil its obli-

gations in time in accordance with this or any other agreement, if bankruptcy proceedings have been instituted against the customer, if the customer is unable to pay, if the customer infringes its contractual obligations or otherwise jeopardizes our security interests.

- 7.7 If the value of the existing securities exceeds the total value of our claims against the customer by more than 10 %, we are obliged to release securities of our choice to this extent upon customer's request.
- 7.8 If the customer performs his part first vis-à-vis his buyers or grants a respite for the payment of the purchase price, the customer shall retain title with regard to the sold products to the same conditions and extent as we retain title upon delivery of the products to the customer.
- 7.9 In order to be able to exercise the retention of title, the customer herewith entitles us to an unhindered access to his estate and/or works or stocks. This right shall be irrevocable.

8. Warranty

- 8.1 We point out that the systems sold by us are partly being developed and produced in foreign countries. It has not been checked, whether these systems meet the criterion of German standards and regulations for the security and the prevention of accidents and they, therefore, do not always comply with them.
If requested by the customer, we are ready to undertake such inspections of the systems concerned against payment of the additional costs as far as such inspection is technically and economically reasonable.
- 8.2 Our warranty obligations are restricted to those expressly stated in this para 8; any further warranties are excluded except in cases where specific qualities have been expressly guaranteed. The warranty period is 6 months after shipment/completion of the service and warranty claims have to be asserted in writing within a prescriptive period of two weeks after shipment, unless the defects have not been apparent within the scope of a proper inspection. Otherwise, the customer shall immediately notify us in writing of any defect after it has been discovered.
- 8.3 Our warranty obligations are limited to replacements (notwithstanding the following provisions) or to repairs – also repeatedly -. We shall be granted an appropriate period of time for such replacement or repair.
In case that replacement or repair fail after three trials, the customer shall be entitled either to withdraw from the contract or to make an appropriate reduction of the purchase price.
- 8.4 We do not assume any liability for defects which are due to unsuitable or improper use of the product, faulty installation an/or putting into operation by the customer or third persons, natural wear and tear, faulty or negligent handling, unsuitable means of operation and the like.
- 8.5 If the producer gives a guarantee, we perform our warranty obligations by assigning our claims against the producer to the customer. If the assertion of the claims finally proves to be unsuccessful in spite of a legal procedure, we warrant against defects an/or the lack of warranted characteristics in accordance with this para 8.

9. Liability due to Delays/Failure to Perform

- a) We assume unlimited liability for delays or failure to perform caused by intent.
- b) In case of gross negligence, we assume limited liability for damages, of which the consequences could have been foreseen, if we had considered the circumstances, which we knew or should have known.
- c) In case of slight negligence, we assume liability for direct damages (but not including loss of profit) limited to a maximum amount of 500.000 €.

10. Liability for Deliveries of Products/Systems

We are liable for personal injuries in accordance with the legal regulations. For other damages occurred, we are exclusively liable to the customer in accordance with the following provisions:

- 10.1 We are liable to the customer in case of breach of contract for damages caused by intent or gross negligence by us or our managers.
- 10.2 We are liable to the customer for slight and gross negligence caused by other employees only, if essential contractual obligations have been breached.
We shall not be liable for breach of warranty according to Section 538 clause 1 German Civil Code (BGB). The liability for the lack of warranted characteristics remains unaffected.
- 10.3 In addition to our liability in accordance with para 10.2, the following restrictions shall be applicable:
In no event will we be liable for loss of profits, indirect and consequential damages of any kind. We shall only be liable for consequential damages (including claims of third parties) if warranted by us.
Apart from that, our liability is limited to the reparation of the damage which is typical and foreseeable for us.
In any case, our liability is limited to the maximum amount of 500.000 € in each individual case.

11. Liability for the Performance of Services

- 11.1 We point out in case of services performed for the purpose of controlling of products received (in particular the testing and verifying of component parts to be installed in a system) defective products cannot be sorted out in any and all cases, in spite of careful performance and regular supervision of the employees.
Such services cover the control of a number of component parts with 8 digits altogether every year. When performing any services, we are liable only for a careful choice and supervision of our personnel as well as for the availability of suitable testing systems. We cannot assume any liability for consequential damages, unless caused by intent or gross negligence by us or our legal representatives and/or managers, with regard to the risks of a faulty installation of the tested component parts in automobiles, air planes, water or space crafts, etc. Furthermore, any liability in this connection is limited to the amount of 1 Million € for each individual case of damage. Apart from that, clauses 9 and 10 concerning the limitations of liability are applicable.
- 11.2 We expressly point out that the products given to us by the client for testing purposes will not be insured against fire, water, storm and similar damages.
- 11.3 The amount charged to the customer for our services has been calculated on the basis of these limitations of liability. However, we are willing to assume an extended liability for the performance of services and to renegotiate the conditions for each individual order with regard to an extended risk of liability on our behalf, if requested by the customer. Should the situation arise, please speak to us about this point before conclusion of a contract.
- 11.4 The limitation of liability regulated in this clause as well as our offer to assume further liabilities are also applicable for the performance of other services, in particular for export opinions, analyses, etc.

12. Export Restrictions

The export of the products is subject to the Law on Foreign Trade and Payments and/or the US export regulations and needs, if required, the permission of the relevant authorities.

According to German Law, details about such permission can be obtained from the Bundesausfuhramt, 65726 Eschborn. According to US Law, they can be obtained from the US Department of Commerce, Office of Export Administration, Washington.

13. Miscellaneous

- 13.1 These Delivery and Purchase Terms and any and all legal relations between the customer and us are subject to the Laws of the Federal Republic of Germany.
- 13.2 Exclusive place of performance and jurisdiction for any disputes which may arise shall be Nördlingen. However, we are also entitled to rise claims versus the customer at his place of business.
- 13.3 The invalidity or unenforceability of any provision of these Delivery and Purchase Terms or of any supplements hereto shall not affect the validity or enforceability of the other provisions and agreements.

These General Purchase, Delivery and Payment Terms are also available in German language and will be given to you on request.