



Partner in power electronics

Terms of Delivery and Payment

as of 01.12.2012

1. General Terms and conditions

All deliveries and services are subject to the present General Terms of Delivery and Payment. In case of different or amending agreements – especially contradicting contractual terms – an explicit written consent is required from TET Electronics IndustrieAlpine GmbH & Co. KG, IndustrieAlpine Allee 1, 94513 Schönberg. All orders and assignments as well as possible special assurances on behalf of TET require a letter of confirmation (of the order) provided by TET. This may only be obtained from on the basis of written agreements. The order is processed with an automatic data processing system.

2. Offers

All offers are without obligation concerning price and possibilities of delivery. Illustrations, drawings, technical data and values are only informative, unless explicitly guaranteed.

3. Price and Terms of Payment

All prices are net, without VAT in Euro (€), ex works, that is packing, transport insurance and freight is only included. Deliveries and services are performed for the prices and terms of the written confirmation of the order. The prices given therein are obligatory.

As far as no other terms are agreed for individual cases, prices shall be paid within 10 days from the date of the invoice with a 2% discount or within 30 days from the date of the invoice without any deduction. No discount can be granted to invoices for any kind of service, these shall be paid without any discount with no delay after receipt of the invoice.

In the frame of commercial business TET is entitled to charge an interest of 5% above the current discount rate of Deutsche Bundesbank from the date of payment in case of default in payment.

Following a third reminder TET is entitled to introduce judicial hortatory proceedings without any further warning or announcement. In case of orders exceeding a value of net €25 000,00 as well as in the case of modification of equipment produced in serial production or with a special design, if no other agreement has been met, 30% of the purchase price is due at the time of confirmation of the order, 60% at the time of delivery and the rest of 10% following set up and report about the equipment being ready for work or after preparation of the final invoice.

In case there is a delay of over a month from the date of delivery in setting up the systems caused by reasons out of control of TET, the remainder of the purchase price is due one month after declaration of readiness for delivery.

4. Delivery Dates

Delivery dates and times are only compulsory, in case TET has confirmed them in writing, otherwise all dates of delivery and deadlines are without obligation. In case non-compliance of a deadline is caused by unforeseen obstacles that are beyond control of

TET, the deadline shall be extended accordingly. TET shall only be obliged to supply systems in case an obligatory agreement is met between customer and TET about the terms and location of setting up.

In case of delayed delivery customer is entitled to withdraw free of charge from the supply contract following the fruitless expiration of a peremptory term set for TET.

Possible claims for damages by customer because of late deliveries or services are restricted for the time of delay per each complete week to 0,5% or max. 5% of the value of the order concerned.

TET shall not take any further liability in case of delays in delivery. This does not apply to cases of deliberateness or gross negligence that are subject to compulsory liability. TET shall be entitled to execute services to be provided in instalments. Terms of payment given under point 3 are effective accordingly. In case of cancellation later than 75 days before the date of delivery stipulated in the confirmation of the order, customer shall be obliged to pay 5% of the basic prices given in the Price list of TET for the product concerned in order to cover the costs that emerged for TET. The right for assertion of damages exceeding this amount stays untouched.

5. Transference of Risks

All risks shall be transferred to the customer simultaneously with the dispatch of the goods by TET, TET shall arrange insurance of the goods for transport damages on request and costs of customer.

6. Reservation of Propriety Rights

TET reserves the right of ownership for the goods delivered until complete payment of the purchase price and fulfilment of all present as well as future claims (balance).

Customer shall not acquire ownership of the goods provided by building them into other equipment. Any kind of processing of the products supplied by TET shall only be performed by TET. In case of building the goods into other ones TET becomes co-owner of the equipment produced in the ratio of the value of its products to the value of other goods applied. Products created this way shall be considered reserved goods of TET.

Customer is only entitled to resell the products delivered to him or produced by combination with other ones in the frame of his regular business operation with reservation of property rights and on condition that all obligations for payment have been fulfilled. Mortgaging or use as collateral is prohibited.

Should a third party gain access to the reserved goods customer shall be reminded of the ownership of TET and TET shall be informed promptly. For safety's sake customer shall even now transfer to TET all claims and ancillary rights arising from the resale/leasing as well as from the business relations with its buyers concerning the resale/leasing in the value of the product supplied.

Customer is revocably authorized and obliged to collect the claims transferred. TET may report the transfer to the buyers of customer any time. In case customer doesn't fulfil his payment obligation in accordance with the regulations, TET is entitled to take the reserved goods in his possession any time, which doesn't necessarily mean withdrawal from the contract. TET shall release the securities on customer's demand on condition that the value of those exceeds all claims to be secured by more than 20%.

7. Acceptance Test of Goods Delivered, Inspection and Approval

The products shall be approved on the basis of a successful test of functioning. Test of functioning is successfully performed, in case the diagnostic and test programmes developed by TET for this purpose have not detected any fault of the product.

As far as TET installs the products as agreed, test of functioning shall be performed by TET following delivery and installation of the products on site.

Customer is entitled to take part in performing the test of functioning. Following the test of functioning TET informs the customer about the products being ready for operation.

In the case of all other products TET performs a test of functioning in the frame of the final check at the plant. In this case approval shall be considered as arranged, as far as an explicit written contradiction to the approval is not sent by customer within 7 days of delivery of the products (date of the delivery note) with a precise description of the defect.

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8. Guarantee

TET shall guarantee that the products are free of material or manufacturing faults at the time of risk transference. TET shall take the obligation to exchange or repair defective products according to its own choice. TET shall guarantee the software is identical with the one listed by TET in the Program Documentation, and is produced with all due care and specialist knowledge. Nevertheless a total exclusion of faults of the software is impossible at the present state of the art.

Responsibility for choosing the software functions, utilization as well as for the results thereof shall be born by the customer. TET shall repair faults of the software that impair regular utilization significantly, according to its choice and the significance of the fault either by supplying an improved software version or by giving advice on elimination or avoiding the consequences of the fault.

In case of inefficient repair or repeated delivery Customer is entitled to demand a reduction of the purchase price or withdraw from the contract free of charge. Customer shall provide TET the roughly estimated time and opportunity needed for a possible fault reparation.

Should customer refuse these, TET shall be released from the obligation of guarantee.

All obligations for guarantee are void in case a possible fault is based on the fact, that the products have been modified, improperly used or repaired by customer or a third party without consent of TET, or the products have been installed, operated or serviced without following the guidelines of TET.

If no other agreement has been met, the period of guarantee shall cover 24 months for standard serial products produced by TET; 12 months for commercial products or own products modified according to customers requirements, for spare parts as well as for reparations and deliveries of spare parts that take place 6 months after the original period of guarantee has expired.

The period of guarantee starts basically with delivery of the products to the customer. If the products are installed by TET, the period of guarantee starts with a report of the products being ready for operation. TET points out the fact that some of the products may contain exquisite and carefully overhauled parts that are equal to new parts concerning their performance.

9. Claims for Damages

Claims for damages against TET as well as against its performing partners based on any cause in law (e.g. consultation, positive violation of the contract, unauthorized handling or product liability), especially also for indirect and consequential damage are excluded. This doesn't apply as far as in cases of intentional handling, gross negligence or lack of promised features liability is guaranteed. TET guarantees no data retrieval unless their destruction was caused by gross negligence or intentionally by TET, and customer has guaranteed that

these data can be reconstructed for a reasonable cost from data material kept ready in a machine-readable form. In case compensation is claimed from TET or its performing partners these claims become void within a year from delivery of the products (date of the delivery note) and in the case of systems from the date of the note of being ready for operation.

10. Industrial Property Rights and Copyright

TET shall release customer from claims for damages by the owner of property rights in case of violation of German industrial property rights (including copyrights) because of utilization of a TET product. Furthermore TET shall obtain the rights for further utilization of the product to customer. In case this is not possible with economically reasonable conditions, TET shall modify or replace the product in such a way that the property rights won't be infringed, or the product shall be taken back and the purchase price paid to TET shall be reimbursed by TET with a deduction considering the age of the product. The obligation of TET mentioned is only in place as long as customer informs TET without delay about the claims against TET, all preventive measures including all out of court regulations remain reserved for TET and the infringement of industrial property rights is not caused by the fact that a product delivered by TET is modified or applied in a way not described in TET publications or it is used together with products not delivered by TET. This regulation from point 9 on contains all obligations of TET concerning claims in connection with the infringement of industrial property rights.

11. Software

A non-exclusive and non-transferable right of use shall be granted to customer for TET-Software (software developed by a software supplier independent from TET) and the matching documentation and subsequent amendments for internal use with products the software has been delivered for (all other rights concerning the software and documentation including copies and subsequent amendments stay with TET resp. the software supplier).

Customer shall guarantee that this software and the documentations are not accessible for any third party without a prior written consent of TET. Copies may basically only be prepared for the purpose of archiving, trouble shooting or replacement; sentences 1+2 are in force accordingly. A special written agreement is needed for handing over source programs. In case a note concerning copyright is attached to the original items, this note shall be placed on the copies as well by customer. If no other agreement has been met, right of use shall be considered as granted with the confirmation of the order and delivery of the software, the documentation and the subsequent amendments.

12. Ausführbestimmungen

Der Käufer wird für den Fall des Exports der Produkte die deutschen und sonstige einschlägige Ausführbestimmungen beachten und seinen Kunden darauf hinweisen, daß im Falle des Exports deutsche Ausführbestimmungen gelten.

12. Export Regulations

In case of exporting the products customer shall follow German and other relevant export regulations and shall remind its customers of the fact that German export regulations apply in the case of export.

13. Customs Procedures

Should exported deliveries be undeclared on request by the customer, he shall take the liability towards TET for possible additional demands of the customs authorities.

14. Miscellaneous

Customer may only transfer the rights and obligations resulting from the contract with the written consent of TET. Customer may only charge for claims of TET or assert rights of retentions in case the counterclaim of the customer is undisputed or has come into force.

The undisputed part of the present Terms of Delivery and Payment remains in force even if some of its regulations become ineffective. Freyung shall be the place of delivery and jurisdiction for any contractual claim as well as claims connected to the contract concluded, as far as customer is merchant registered under the German Commercial Code. Furthermore TET is entitled to assert its rights for claims at the competent court at the headquarters or place of residence of customer.