

## TERMS AND CONDITIONS FOR DELIVERY AND PAYMENT

- General. All deliveries are governed solely by (a) the conditions of delivery and payment of Marquardt GmbH and/or its affiliates and all related companies, including but not limited to Marquardt Switches, Inc. (hereinafter referred to as "Marquardt") (b) the current version of the "General Conditions for the Supply of Products and Services of the Electrical and Electronics Industry" of Germany ("German General Industry Conditions"), including the supplementary clause on "Retention of Title", which are incorporated by reference as if they were fully set forth herein, and (c) the law of the country from which the deliveries occur. The Purchaser's general terms and conditions shall apply only if expressly accepted by Marquardt in a writing signed by Marquardt. Any of the following shall constitute Purchaser's unqualified accepting of these terms and conditions, notwithstanding any terms contained in Purchaser's purchase order or other documentation: (a) acceptance of goods shipped and/or (b) payment for goods shipped.
- Offers. Our offers are not binding and do not become binding agreements until our offers are confirmed in writing or the commencement of performance on the offer.
- Prices. Prices are set in US Dollars, exclusive of all sales taxes or value added taxes, for delivery ex works and excluding packaging. The prices in effect on the day of shipment shall be charged.
- Order Modifications. Changes in orders require the written consent of Marquardt. Any increase in cost caused by a change in any order shall be borne by the Purchaser. Purchaser shall bear all costs incurred by Marquardt as the result of any cancellation of orders.
- Delivery Quantities. All orders will be delivered in the packaging units specified by Marquardt. For engineering reasons, Marquardt reserves the right to deliver ten percent (10%) more or ten percent (10%) less of the ordered or confirmed amount of customized products. Marquardt is allowed to ship partial orders. Partial orders having a value below Five Hundred Dollars (US\$500.00) shall be billed on a per item basis, with the price of each item representing its proportion to the price for a full packaging unit of that product. All orders having a value below Five Hundred Dollars (US\$500.00) shall be shipped immediately ex works, provided the goods are in stock.
- Delivery Dates. Delivery dates are estimates only and are not time of the essence unless such dates are expressly made time of the essence in a writing signed by Marquardt. Marquardt will make its best efforts to make timely delivery, but delivery dates shall be extended by a reasonable time if Marquardt is preventing from making timely delivery by problems or delays in procuring materials, materials shortages, insurrections, natural disasters, lockouts or any other event beyond the control of Marquardt. Purchaser's claims for damages due to any delay in delivery shall be limited to direct, foreseeable damages, AND SHALL NOT INCLUDE ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES, LOST PROFITS, OR OTHER COSTS ASSOCIATED WITH LOSS OF PRODUCTION, UNLESS THE DELAY IS CAUSED BY MARQUARDT'S INTENTIONAL OR GROSSLY NEGLIGENT CONDUCT.
- Packaging and Shipment. All goods shall be packaged according the standards of the industry. Disposable packaging will not be taken back by Marquardt. Reusable packaging shall be returned to Marquardt by Purchaser at Purchaser's cost and expense. Marquardt is free to choose the least expensive method of shipping unless the parties agree to specific shipping terms in writing.
- Transfer of Risk. Risk of loss shall pass to Purchaser upon shipment of the goods from our factory or warehouse. Purchaser bears the risk of loss for all shipments, including return shipments, unless otherwise agreed by the parties in a signed writing.
- Return Shipments and Credits. Goods may be returned to Marquardt only with Marquardt's written consent. Marquardt shall not issue a credit note for orders of less than One Hundred Dollars (US\$ 100.00). Marquardt shall retain fifteen percent (15%) of the value of returned goods, having a value of at least One Hundred Dollars (US \$ 100.00) for inspection and repackaging of the goods to assure quality to the subsequent purchaser. Customized goods cannot be returned to Marquardt.

10. Conditions of Payment: Default. Payments must be made within 30 days net after the date of the invoice unless other terms are agreed upon expressively. All bank charges in the country of payment shall be paid by Purchaser. Bills of Exchange will be accepted only without charges and only upon specific agreement by Marquardt. We reserve the right to require security, cash on delivery or cash-in-advance as a condition for shipment of goods. Delivery may be refused, if these requests are not granted. Cash on delivery or cash-in-advance terms do not relieve the Purchaser from its obligation to accept delivery of goods. Overdue payments are subject to a late fee of 1.5% per month.

11. Security Interest Retained. Purchaser grants Marquardt a security interest in all goods shipped by Marquardt until Purchaser has paid all accounts with Marquardt in full.

12. Defects, Liability. Purchaser must inspect goods upon delivery to assure they conform to the agreement of the parties. Nonconforming goods and defects must be reported in writing to Marquardt within fourteen (14) days after delivery of goods to Purchaser. Latent defects that cannot be detected by inspection shall be reported to Marquardt within fourteen (14) days after discovery. FAILURE TO REPORT DEFECTS WITHIN THE TIME FRAMES SET FORTH IN THIS PARAGRAPH CONSTITUTE A WAIVER OF PURCHASER'S CLAIMS FOR BREACH OF WARRANTY, DEFECTIVE GOODS OR NON-CONFORMING GOODS. Purchaser's claims for breach of warranty must be made within twelve (12) months after the transfer of risk. Nonconforming or defective goods shall be repaired or replaced at the discretion of Marquardt, provided the defect or nonconformity existed at the time risk of loss passed to the Purchaser. If repair or replacement is unsuccessful, the Purchaser is entitled to rescind the contract or reduce the contract price. PURCHASER SHALL HAVE NO CLAIM FOR DAMAGES BASED ON DEFECTS, UNLESS SUCH DEFECT HAS BEEN FRAUDULENTLY CONCEALED BY MARQUART, OR THE GOODS ARE NONCONFORMING, OR IN THE CASE OF LOSS OF LIFE, PERSONAL INJURY OR DAMAGE TO HEALTH, RESTRICTIONS OF LIBERTY AND/OR INTENTIONAL OR GROSSLY NEGLIGENT CONDUCT ON THE PART OF MARQUART.

13. Warranties. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER IMPLIED WARRANTIES FOR GOODS PROVIDED TO PURCHASER UNDER THE TERMS OF THIS AGREEMENT. MARQUART'S DESCRIPTION OF ITS GOODS IS NOT TO BE CONSTRUED AS A WARRANTY OF THE QUALITY OR CHARACTERISTICS OF THE GOODS. THE WARRANTIES OF MARQUARDT ARE LIMITED TO EXPRESS WARRANTIES GIVEN BY MARQUARDT TO PURCHASER IN WRITING.

14. Tools. All tools constructed by Marquardt for the production of goods are and shall remain the property of Marquardt, even if Purchaser has shared in the costs of such tooling unless other terms are agreed upon expressively.

15. Place of Performance, Venue and Jurisdiction. The place of Marquardt's performance of its obligations under its agreement with Purchaser shall be Marquardt's location from where the delivery of goods originates. The sole venue as well as the jurisdiction for disputes arising directly or indirectly under the agreement of the parties shall be Marquardt's location from where the delivery of goods originates. For goods originating from Marquardt's New York location all disputes shall be venued in New York State Supreme Court in Madison County, New York or in the United States District Court for the Northern District of New York, and shall be governed by New York State law. For goods originating from Marquardt's German location all disputes shall be venued in Courts of Stuttgart and shall be governed by the laws of Germany.

16. Modifications. Marquardt reserves the right to make technical modifications and improvements to its products.

17. Severability. If any provision of these terms and conditions are held to be invalid or unenforceable, such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law and the remainder of the terms and conditions shall not be affected and shall remain in effect and enforceable.