

General Terms and Conditions of Purchase EMEA

of EBV Elektronik GmbH & Co.KG Poing 08.2004

The Purchase of products and services ("Products" by EBV Elektronik GmbH & Co. KG, Im Technologiepark 2-8,85586 Poing, Germany and its, subsidiaries, affiliates, branches and offices ("EBV") are expressly subject to these Terms and Conditions only ("Agreement") regardless of other or additional terms or conditions that conflict or contradict with this agreement in any quote, acknowledgement, purchase order, document or other communication or preprinted terms and conditions on any supplier document (for example: purchase order, confirmations and etc.) and/or EBV's failure to object to conflicting or additional terms will not change or ass the terms to this Agreement. Any deviating terms and conditions of the contracting partner shall apply only if expressly confirmed in writing by EBV.

§ 1 ORDERS

EBV shall place an order with Supplier submitted in writing by fax, or electronic means acceptable to EBV ("Order"), which shall be deemed accepted by Supplier if Supplier does not provide a written notice of rejection within seventy-two (72) business hours of its receipt.

§ 2 APPOINTMENT

Seller authorizes EBV to distribute and/or otherwise resell Products EBV purchases under this Agreement ("Products") in Americas, Europe and Asia.

§ 3 PRICES

The price to be paid by EBV for any Products ordered pursuant to this Agreement shall be set forth in EBV's Order.

§ 4 TAXES

EBV shall not be liable for any taxes with respect to any Order provided that EBV provides Supplier with the applicable exemptions and/or resale certificates.

§ 5 TERMS OF PAYMENT.

Payment for all Products purchased hereunder by EBV shall be 2% 10th and 25th or net sixty (60) days from date of invoice or shipment, whichever date is later.

§ 6 ORDER CHANGES.

EBV may change or cancel orders or reschedule shipment dates for any Products ordered, provided that EBV notifies Supplier at least ten (10) days prior to the originally-scheduled date.

§ 7 DELIVERY AND TITLE.

All Products ordered hereunder shall be shipped at DDP (INCOTERMS 2000 or latest edition) and title shall pass when risk of loss passes. If delivery of an Order is delayed more than ten (10) business days, EBV reserves the right to cancel the Order without penalty.

§ 8 ACCEPTANCE OF PRODUCTS.

EBV shall have thirty (30) days to notify Supplier of any obvious defects (including but not limited to shortage or other discrepancy to Product) and Supplier shall accept return of such Product at EBV's location.

§ 9 WARRANTY

While Supplier sells Products to EBV for further resale, EBV is not obliged to examine the Products itself. For sales made by Supplier to EBV hereunder, Supplier guarantees EBV that the design, construction and quality of the Products shall comply in all respects with all requirements of any statutory regulation, order, contract or any other instrument having the force of law, which may be in operation at the time when the Products are supplied. Should a customer of EBV lodge any claim against EBV or hold EBV in other respect responsible

for a breach of contract or guarantee in connection with sales made hereunder, except where the claim against EBV is based on negligence or fraudulent misrepresentation of EBV, then Supplier upon first request in writing, shall hold EBV harmless from all claims, costs, expenses and damages, including legal fees, incurred thereon. The warranty period shall be 24 months and shall begin to run with respect to any end user upon delivery of the Product to the end user. Any Product to be returned under the terms of the warranty may be shipped to Supplier either by EBV or directly by a re-seller customer or end user.

§ 10 DISCONTINUED PRODUCTS/PRODUCT OBSOLESCENCE.

Supplier may discontinue the manufacture and/or sale of any Product. In the event of any such discontinuance, or in the event engineering changes render any Product obsolete, Supplier shall give EBV at least ninety (90) days advance written notice thereof. EBV may, in its sole discretion, within sixty (60) days after receipt of such notice, notify Supplier in writing of EBV's intention to return any or all Products in its inventory that have been so discontinued. EBV shall receive full credit for all such Products so returned. Any such credit shall be in the amount of the actual net invoice price paid by EBV for the discontinued Products less any prior credits. Supplier shall pay all freight charges. Furthermore Supplier grants EBV the right of a Last Time Buy (LTB, adequate amount of products) upon request.

§ 11 PATENT/COPYRIGHT/TRADEMARK INDEMNIFICATION.

Supplier warrants that any and all Products purchased hereunder, and the manufacture, sale or use thereof, do not and will not violate or infringe upon any patent, copyright, trademark, trade secret or other property right of any third party; that Supplier will, at its own cost and expense, defend any suit that may arise in respect thereto or in respect to the combination of any Product with any equipment, data or programming, to the extent that the claim alleges that the Product standing alone infringes such rights, and provided Supplier is notified thereof; and that Supplier will indemnify and hold harmless EBV, its successors and assigns, and the customers of any of them, from all loss, damages, costs and expenses (including reasonable attorneys' fees and costs of establishing rights to indemnification) that may be incurred on account of the assertion of any such property rights by any person.

§ 12 USE OF TRADEMARKS/TRADE NAMES.

EBV is authorized to use Supplier's trademarks, trade names and logos in connection with EBV's sale, advertisement and promotion of Products. EBV shall have the right to pass on this right of usage to its reseller customers.

§ 13 QUALITY

Supplier shall establish and maintain quality control procedures in accordance with ISO 9000ff and/or TS16949 for product manufacturing, handling and testing, including but not limited to electrostatic discharge sensitivity procedures and other customary programs as are necessary to ensure that the Products, as manufactured and sold to EBV, are of the highest quality and reliability. Products need to comply 100% with Suppliers published, technical product specifications. Preferably products shipped should not be older than 12 months according to product date code. There shall be one date code only per multiple pack quantity, preferably one date code per Purchase Order line item received. Product quality issues: in case of reported product quality issues Supplier will closely co-operate with EBV and end customer and will do its best to come up with appropriate product analysis results, containment and, if required, permanent corrective actions ten (10) days after having received samples of the products or services in doubt. In case of severe, recurring quality problems Supplier agrees to EBV or end customer system, process or product audits at its, or Suppliers subcontractors, premises. The full scope of these audits shall be mutually agreed on. Furthermore Supplier will comply with packaging quality norms including but not limited to DIN EN 100015-1&2, ANSI/EIA 625; JEDEC J-STD-033 and EIA-JEP 124 (ESD protection and moisture sensitivity).

§ 14 EXPORT

Supplier acknowledges and agrees that EBV may export Products as allowed by the export control laws, regulations and orders of the United States and other countries to which it may ship Products.

§ 15 GENERAL

- **Governing Law:** This Agreement shall be construed and interpreted in accordance with German substantive law. The UN Convention on Contracts for the International Sale of Goods (CISG) shall not apply. All disputes, claims or controversies between the parties arising out of or in connection with the present agreement (including disputes concerning the validity, interpretation or application thereof

or of any implementing agreement) which cannot be settled amicably shall be finally settled at the competent court in Munich, Germany.

- **Independent Contractors:** EBV and Supplier are independent contractors and each is engaged in the operation of its own business and neither will be considered the agent, joint venture partner or partner of the other for any purpose whatsoever.
- **Assignment:** Supplier may not assign this Agreement without EBV's the prior written consent. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.
- **Waiver:** EBV's failure to object to any document, communication or act of Supplier will not be deemed a waiver of any of these terms and conditions.
- **Severability:** Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or unenforceability of such provision in any other jurisdiction.
- **Adherence to Laws:** Supplier and EBV agree to comply with applicable laws and regulations.
- **Entire Agreement:** This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements relating thereto, written or oral, between the parties. Amendments to this Agreement must be in writing, signed by the duly authorized officers of the parties, specifically stating that such amendments are made pursuant to this subparagraph.
- **Statutory Conformance:** With respect to the products ordered under this Agreement, Supplier warrants and agrees that it has complied with all applicable federal, state and local laws, codes and requirements. Supplier especially warrants that all products supplied to EBV comply with all applicable laws in the EU and the based on the directives introduced national laws in the member states like Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) and Supplier shall undertake to comply and bear all costs all for the compliance with Directive 2002/96/EC on waste electrical and electronic equipment (WEEE) in the different member states of the EU. Supplier agrees to indemnify and hold harmless EBV, its successors and assigns, and the customers of any of them, from all loss, damages, costs and expenses (including reasonable attorneys' fees and costs of establishing rights to indemnification) which may be incurred by non-compliance of Supplier with this paragraph. Furthermore EBV reserves the right to return any non-compliant product at the expense of Supplier.
- **Ozone Depleting Substances:** EBV reserves the right to reject any Products containing or manufactured with substances

identified as a Class I or Class II ozone depleting substances by the U.S. Environmental Protection Agency pursuant to Title VI of the Clean Air Act Amendments of 1990, and any amendments thereto, whether or not such Products shall be required to bear labeling.

- **Survival:** All obligations and duties hereunder that shall by their nature extend beyond the expiration or termination of this Agreement, shall survive and remain in effect beyond any expiration or termination hereof.
- **Force Majeure:** In the event of any act of God, government order, rule or decision, fire, war or armed conflict or the serious threat of the same, or any other cause beyond the reasonable control of the parties hereto, preventing such party from discharging its obligations under this Agreement, neither party shall be in default or liable to the other party to the extent that performance is prevented, hindered or delayed by such an event. The party invoking Force Majeure shall promptly inform the other party and keep the other party reasonably apprised of the development. The party having declared Force Majeure shall be held to co-operate in any reasonable manner in order to mitigate the consequences of such Force Majeure. In case of Force Majeure affecting Supplier's production, EBV shall not be less favourably treated than Supplier's other customers, agents, EBVs, etc. Should Force Majeure circumstances continue to prevent the servicing of the present Agreement for more than three consecutive months, either Party shall have the right to terminate the Agreement with immediate effect. Should Supplier invoke Force Majeure with respect to material for which EBV has already engaged transport or storage capacity, Supplier shall reimburse EBV for the reasonable costs incurred, such as dead freight or cancelling charges. Upon termination of such circumstances of Force Majeure, EBV may demand delivery of the affected non-delivered quantities by Supplier at the terms of contract within a reasonable period of time. The time for performance of any such obligation shall be extended for the time period lost by reason of the delay.