

General Terms and Conditions (NEL's GTC) for International Transactions

Tech-NEL GmbH, Leipzig, Germany.
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The following General Terms and Conditions are an integral part of all offers and agreements relative to NEL's supplies and services. Where the parties have a continuing business relationship, these GTC's shall be applicable to all future transactions. They shall be applicable to registered business people if the transaction is part of the buyer's business operations, as well as to legal entities or separate estates, both under public law. Modifications or amendments of these terms and conditions shall be valid only if such modifications or amendments have been confirmed in writing by approved signatures registered in NEL's corporate registry. The same shall apply to the validity of any other business terms contained herein.

1. Offers and orders

- (1) NEL's offers are not legally binding.
- (2) Any orders, modifications or amendments to orders or verbal agreements and promises of any kind whatsoever including those made by NEL's sales personnel, as well as information about versions, dimensions, etc. are legally binding only, after having been confirmed by NEL in writing.
- (3) If the buyer cancels an already placed order with NEL, he shall reimburse for the NEL arisen costs for this order until the time of cancellation of the relevant order.

2. Price

- (1) NEL's product prices are expressed in Euro (EUR), if not stated otherwise, at NEL's discretion. Costs as per (2) are excluded unless otherwise agreed upon.
- (2) Packaging, shipping costs, transportation insurance, TOLL, customs duties Value Added Taxes (VAT) legalisation fees etc. may at the applicable rates, be calculated and invoiced separately. The same applies to costs relating to on-site surveys for measurement of dimensions, weight or quantities.
- (3) If price factors (material, personnel, energy costs, foreign exchange rate etc.) change after the signing of an agreement, but before the delivery of NEL's products or services, NEL shall be entitled to revise the price accordingly, without affecting the validity of the agreement. The same applies if additional taxes or charges are levied relative to the agreement.

3. Payment terms

- (1) NEL's invoices shall be payable immediately upon receipt and paid net (no rebates or deductions are allowed) unless specified otherwise (e.g. 100% prepayment, 60 % prepayment and 40 % upon shipping from factory).
- (2) NEL is entitled to require appropriate instalment of payments.
- (3) Payments in cash, by bank transfer or by check made against submission of a draft issued by NEL and accepted by the buyer are considered as payments of the purchase price only if the draftee has surrendered the draft.
- (4) The receipt of drafts by NEL requires NEL's prior written approval. Such receipt shall only be accepted in view of the payment, without rebates / deductions and based on the condition that the draft is discountable. Discounting expenses, taxes and default interest for late payment shall be paid immediately.
- (5) If the solvency of the buyer deteriorates after the placement of the order, or if NEL receives information that the buyers solvency is in doubt, NEL may ask for immediate payment of all outstanding bills, even if a deferment has been agreed upon. Under the same circumstances, NEL may request advance payment or securities for product deliveries or services not yet rendered, or may cancel the order at its sole discretion.
- (6) Payments shall be credited at NEL's discretion with regard to costs, interest due and/or the earliest amount outstanding.
- (7) The buyer may not offset or withhold payments unless the buyers claim has been accepted by NEL in writing or it has been determined by a competent court to be legally valid. In case that withholding payment is permitted, the buyers counterclaim must be related to the same contractual relationship/transaction. If NEL is liable the buyer may withhold payment of the purchase price in proportion to the defects agreed upon by NEL.
- (8) If payments are past the due date, NEL may charge the buyer, without further notice, a default interest payment set at a minimum of 2% higher than the discount rate of the European Central Bank.

4. Delivery

- (1) Delivery deadlines shall be respected by NEL provided that the buyer fulfils his obligations on time; in particular that all the documents necessary for the execution of the order shall have been delivered on time (i.e. clear documentation, construction designs, drawings, measurements, colours etc.)
- (2) Timely delivery by NEL further depends on NEL's suppliers and sub-suppliers delivering correctly and on time.
- (3) The delivery deadlines shall be extended, even if already delayed, in case of force majeure, labour disputes, breakdowns and other events not caused by or beyond the control of NEL which may have an effect on timely delivery. Under these circumstances NEL may also cancel to his order without any obligation to compensate for any damages whatsoever.
- (4) NEL is not liable for delays caused by postal services or other means of delivery.
- (5) If the order is amended, the delivery deadline shall be extended accordingly.
- (6) Partial deliveries are permitted.

5. Shipping, supply, returns, risk

- (1) Shipping is always at the buyers risk and at the buyer's cost if not otherwise agreed upon.
- (2) Expanding on 5. (1) (see above), the same applies to the supply and return of goods, materials, documentation etc. which the buyer has

supplied, even if NEL has handled them.

- (3) Unless the buyer specifies a particular shipping mode, NEL shall be free to choose the appropriate shipping mode.
- (4) Without an obligation to do so, NEL may insure the goods against transportation risks; the costs of such insurance shall be paid by the buyer.
- (5) If the goods are ready for shipment and shipment or reception is delayed for reasons which are within the buyer's or recipient's sphere of responsibility, the risk is transferred from NEL to the buyer upon notification of readiness for shipment.
- (6) Under the conditions stated in paragraph 5. (5) above, NEL may store the goods in its factory or elsewhere at the buyer's risk and cost. Immediate payment for the goods stored is required.

6. Reservation of title

- (1) Until full payment is received, the delivered goods remain NEL's property (reserved goods), regardless of any claims the buyer may have against NEL at the time of delivery. The same applies if the invoice is included in a current account or if the current account is closed and accepted by the buyer.
- (2) The buyer may resell reserved goods only to the extent that the claims arising out of such a resale may be assigned, and only if the buyer is not delinquent in payment or if the buyer did not withhold any payments. Other transactions with respect to the reserved goods are not permitted.
- (3) The buyer assigns any and all claims (including ancillary claims) arising out of, or in connection with, a re-sale of reserved goods. NEL accepts such an assignment. The claims so assigned serve as security for NEL's claims under paragraph 6. (1) above.
- (4) As long as the buyer fulfils his obligations towards NEL in a timely manner and as long as the buyer's financial situation does not deteriorate, the buyer may cash-in claims which have been assigned to NEL.
- (5) If the buyer does not fulfil his obligations in a timely manner or if the buyer's financial situation deteriorates, NEL may-without prejudice to other legal remedies NEL may have - ask for the return of the reserved goods and/or cash-in claims which have been assigned to NEL. NEL shall have access to the reserved goods. The notice requesting the return of the reserved goods may not be interpreted as cancellation of the order, unless the notice so specifies. The buyer shall hand over all documents necessary relating to the assigned claims and shall notify the debtors of such assignment.
- (6) If the reserved goods are processed or incorporated into other goods which do not belong to NEL, NEL shall be entitled to its share of the resulting joint property of the new goods (to be calculated in proportion of the invoice value of the reserved goods and the rest of the processed goods at the time of processing or incorporation), which serves as a security of NEL's claims under paragraph 6.(1) above. If the buyer is the sole owner of the new goods, the parties agree that the buyer shall grant NEL co-proprietorship to the part determined by the value of the reserved goods and the value of the other goods, and that the buyer shall hold the goods for NEL free of charge.
- (7) If the reserved goods are sold together with other goods, irrespective of whether the reserved goods have been processed or incorporated the condition stipulated in paragraph 6.(3) shall only apply to the extent of the invoice value of the reserved goods.
- (8) The buyer shall inform NEL immediately of legal execution proceedings or any other actions having an influence on the reserved goods, and supply all the necessary and related documents.
- (9) Upon request by the buyer, NEL agrees to release any securities which NEL acquired pursuant to the above paragraphs at its discretion, if the value of such securities exceeds the total value of NEL's claims to be secured by 25%.
- (10) The buyer agrees to insure reserved goods and goods referred to in paragraph 6. (6) above against fire and water, theft and robbery.
- (11) In case of deliveries abroad and in as much as the law of the importing country does not allow the provisions as stated in this paragraph 6, but does, however, allow the seller to reserve other rights for the goods, NEL may exercise any and all of these rights. The buyer agrees to cooperate with NEL whenever an action on his part is required in order to reserve title to the goods or to secure other rights to the goods for the benefit of the seller.

7. Complaints

- (1) Notice of complaints about incomplete, incorrect or faulty deliveries or services or the lack of an agreed specification shall be made to NEL immediately and under no circumstances later than 3 working days after reception of the goods. The notice shall be in writing indicating (together with supporting photos, schemes, drawings etc.) the exact nature of the defect.
- (2) If the buyer does not respect these obligations, the deliveries shall be deemed to have been accepted and the buyer cannot claim negligence at a later date.
- (3) If the claim is unwarranted NEL can claim damages for any costs incurred.

8. Warranty

- (1) If the buyer has valid complaints under 7. above NEL shall at its own discretion, either repair the goods, replace the goods or reduce the price.
- (2) If NEL replaces the goods the buyer shall return the defective goods at his own cost with a clear damage report. Claims for damages cannot exceed the invoiced prices for the sold articles. Prior agreement is necessary for the return of goods. NEL will not cosier any costs involved in dismantling and dispatching the defective goods to our manufacturing plant and re-installing the repaired goods on site. Repaired goods will be sent back by NEL free of charge.

(3) NEL does not grant any warranty for defects which are not within NEL's sphere of responsibility, such as wear and tear, unprofessional use, mishandling or incorrect installation, negligent, insufficient care or maintenance, excessive use, exceptionally aggressive environmental conditions and technical or construction changes undertaken by the buyer.

- (4) If NEL bought parts from other generally recognised suppliers whose reliability caused no reason for any doubt in the marketplace, NEL's warranty is limited to the assignment of any claims NEL might have against such a supplier. NEL agrees to supply to the buyer all information necessary to secure the buyers right's.
- (5) Further claims by the buyer, especially those with respect to damages which did not occur directly to the goods delivered, are excluded. Paragraph 9 remains reserved.
- (6) Minor deviations in colour as well as minor flaws which may occur during the manufacturing process or due to the particular characteristics of the materials used do not justify complaints and compensation. If aesthetic aspects conflict with quality requirements, NEL may choose quality over aesthetics. NEL may take into account modifications in construction and the use of other materials if such changes are justified by technical improvements, improved know-how or for reasons of availability or manufacturing, as long as the functionality of the part or product to be delivered remains intact.
- (7) Warranty claims expire 6 months after delivery date of the goods unless otherwise agreed upon.
- (8) NEL reserves the right to provide excess or short deliveries to the extent that they do not exceed 10% or, if the order does not exceed 10 pieces, 20%. This reservation applies to the total quantities delivered as well as to every partial delivery or sub-assembly. The invoiced amount will change accordingly.

9. Buyer's rights of cancellation and damage loss

- (1) The buyer may only cancel the order if NEL is unable to deliver, and if such inability is due to wilful action or gross negligence on NEL's part. In case of an unjustified order cancellation through the buyer NEL will invoice all related actions that have been taken (e.g. purchasing and processing of raw material, assembly of parts, samples etc.) to carry out the order. If NEL has not yet begun to process the order, the compensation shall be at least 10% of the contractual value.
- (2) Unless stipulated otherwise in these General Terms and Conditions, any and all damage claims for whatever legal reasons, whether contractual or extra-contractual, including claims for consequential damages, are excluded.
- (3) Any contractual compensation for damages shall be limited to the level which was agreed upon at the time of the conclusion of the agreement.
- (4) In as much as compensation claims are excluded or limited, the same exclusions and limitations apply to the personal liability of NEL's legal representative, employees or agents.

10. Stocks

Where quantities for an order cannot be clearly specified NEL in agreement with the buyer, shall define the first batch of production (set number of products) and put them into stock. Should this batch of production not be sold within a period of 6 months the buyer will reimburse NEL for the stock at the sales price and pay for any raw material, components, engineering, design, drawings and tooling costs connected to the order. Furthermore, NEL will be entitled to bill a monthly fee of 2% of the product's sales price for remaining stock. Should the remaining stock not leave the warehouse within an additional 6 months, NEL is entitled to dispatch the stock to the buyer's address at his cost and risk.

11. Assignment

The buyer may not transfer or assign any claims against NEL to a third party without NEL's prior written consent.

12. Copyrights

- (1) All rights related to the design, EDP-data, drawings, templates, drafts, films, tools, manuals, graphics etc. remain NEL's property.
- (2) Copying of the above mentioned items (1) and spreading the content of there of to third parties are forbidden unless the copyright is specifically transferred in written form from NEL to the buyer. Contravention of this restriction will constitute an evident abuse and result in compensation for the damages caused. All rights are reserved concerning patenting, registration of design and the establishment of utility models.
- (3) NEL has the right to affix manufacturing labels in an unobtrusive location on all its products.

13. Production/assembly/Installation

NEL may retain third parties for production and/ or assembling and/or installation.

14. Applicable law, contractual language

- (1) The contra dual relationship between NEL and the buyer shall be subject to German law exclusively, according the seller's preference.
- (2) The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not be applicable.
- (3) The contractual language shall be German and/or English.

15. Place of execution and jurisdiction

- (1) Place of execution should be D-03429 Leipzig, Germany, according the seller's preference.
- (2) In the event of litigation under public law with registered business people as well as with legal entities or separate estates, the competent courts of D-04329 Leipzig, Germany shall have exclusive jurisdiction.