

Comtel Electronics GmbH: General Terms and Conditions of Sale

1. GENERAL

Unless agreed otherwise in written, these Terms and Conditions apply to all deliveries of goods, including services, by Comtel Electronics GmbH and all other companies of the Comtel Group. In the event of any conflict or inconsistency between the terms and conditions of sale herein and the terms and conditions contained in Purchaser's order or in any other form issued by Purchaser, whether or not any such form has been acknowledged or accepted by Comtel, Comtel's terms and conditions herein shall prevail. No waiver, alteration or modification of these terms and conditions shall be binding upon Comtel unless made in writing and signed by a duly authorized representative of Comtel.

2. QUOTATIONS

Unless otherwise stated, Comtel's quotation shall be null and void unless accepted by Purchaser within sixty (60) days from the date of quotation.

3. PRICES / COST OF TRANSPORTATION

All quoted prices are based on the current exchange rates, tariffs and costs of manufacture. Prices are subject to correction for error. Unless otherwise stated, all prices are f.o.b. factory and include packing. Methods of transportation will be used according to Purchaser's request and at Purchaser's expense.

4. TAXES

Prices do not include Goods & Services Tax, Provincial or Municipal sales, use, value-added or similar tax. Accordingly, in addition to the price specified herein, the amount of any present or future sales, use, value-added or similar tax applicable to the sale of the goods hereunder to or the use of such goods by Purchaser shall be paid by Purchaser to the entire exoneration of Comtel.

5. DELIVERY

Delivery schedules are approximate and are based on prevailing market conditions applicable respectively at the time of Comtel's quotation and its acceptance of Purchaser's order. Delivery shall also depend on the prompt receipt of the necessary information by

Comtel to allow maintenance of the manufacturer's engineering and manufacturing schedules.

6. FORCE MAJEURE

Comtel shall not be responsible or liable for any loss or damage incurred by Purchaser herein resulting from causes beyond the reasonable control of Comtel (Force majeure). The acceptance of delivery by Purchaser shall constitute a waiver of all claims for loss or damage due to any delay whatsoever.

7. SHIPMENT, DAMAGES, SHORTAGES, RISK

Except for obligations stated under "Warranty" herein, Comtel's responsibility for goods ceases upon delivery to the carrier. In the event of loss or damage during shipment, Purchaser's claim shall be against the carrier only. Comtel will, however, give Purchaser any reasonable assistance to secure adjustment of Purchaser's claim against the carrier provided immediate notice of such claim is given by Purchaser to Comtel. Claims for shortages must be made in writing within ten (10) days after receipt of goods by Purchaser. If Comtel does not receive written notification of such shortages within such ten (10) days, it shall be conclusively presumed that the goods were delivered in their entirety. Unless agreed upon otherwise in writing, Comtel reserves the right to make partial shipments and to submit invoices for partial shipments.

8. TITLE

Title to the goods or any part thereof shall not pass from Comtel to Purchaser until all payments due hereunder have been duly made in cash, except as otherwise expressly stipulated herein. The goods shall be and remain personal or moveable property, notwithstanding their mode of attachment to realty or other property. If default is made in any of the payments herein, Purchaser agrees that Comtel may retain all payments which have been made on account of the purchase price as liquidated damages, and Comtel shall be free to enter the premises where the goods may be located and remove them as Comtel's property, without prejudice to Comtel's right to recover any further expenses or damages Comtel may suffer by reason of such nonpayment. Unless otherwise agreed in written, Comtel reserves all rights to the intellectual property embodied in its products and services.

9. LIABILITY

Comtel shall not be liable for and shall be held harmless by Purchaser from any damage, losses or claims of whatever kind, contractual or delictual, consequential or incidental, direct or indirect, arising out of, in connection with or resulting from the sale governed hereby or the goods, including, but without limitation, the manufacture, repair, handling, installation,²

possession, use, operation or dismantling of the goods and any and all claims, actions, suits, and proceedings which may be instituted in respect to the foregoing.

10. WARRANTY

Goods sold hereunder are covered by a warranty against defects in material and workmanship provided the goods and services are subjected to normal use and service. The applicable warranty period is twelve (12) months from the date of installation or eighteen (18) months from shipping date to Purchaser of any item of the goods, whichever occurs first, or any other warranty period otherwise stipulated in writing by Comtel under this sale. For components not supplied by Comtel, the original manufacturer's warranty shall apply to the extent assignable by Comtel. The obligation under this warranty is limited to the repair or replacement, at Comtel's option, of defective parts f.o.b. point of shipment provided that prompt notice of any defect is given by Purchaser to Comtel in writing within the applicable warranty period and that upon the Purchaser's return of the defective parts to Comtel or, if designated by Comtel, to the location where the works are made, properly packed and with transportation charges prepaid by Purchaser, an inspection thereof shall reveal to Comtel's satisfaction that Purchaser's claim is valid under the terms of this warranty. Purchaser shall assume all responsibility and expense for dismantling, removal, re-installation and freight in connection with the foregoing. The same obligations and conditions extend to replacement parts furnished by Comtel hereunder. Comtel does not assume liability for installation, labour or consequential damages. Comtel makes no warranty other than the one set forth herein. All other warranties, legal, expressed or implied, including but not limited to any expressed or implied warranty of merchantability, of fitness for the intended use thereof or against infringement are hereby expressly excluded. The applicable warranty ceases to be effective if the goods are altered or repaired other than by persons authorized or approved by Comtel to perform such work. Repairs or replacement deliveries do not interrupt or prolong the term of the warranty. The warranty ceases to be effective if Purchaser fails to operate and use the goods sold hereunder in a safe and reasonable manner and in accordance with any written instructions from the manufacturers.

11. INSTALLATION

Unless otherwise expressly stipulated, the goods shall be installed by and at the risk and expense of Purchaser. In the event that Comtel is requested to supervise such installation, Comtel's responsibility shall be limited to exercising that degree of skill customary in the trade in supervising installations of the same type. Purchaser shall remain responsible for all other aspects of the work including compliance with the local regulations.

12. RETURNED GOODS

No goods may be returned to Comtel without Comtel's prior written permission. Comtel reserves the right to decline all returns or to accept them subject to a handling/restocking

charge. Even after Comtel has authorized the return of goods for credit, Comtel reserves the right to adjust the amount of any credit given to Purchaser on return of the goods based on the conditions of the goods on arrival in Comtel's warehouse. Credit for returned goods will be issued to Purchaser only where such goods are returned by Purchaser and not by any subsequent owner of the goods. Goods will be considered for return only if they are in their original condition and packaging.

13. TERMS OF PAYMENT

Unless otherwise stated, invoices on "open account" shipment are payable within thirty (30) days of invoice date. Unless specifically provided, no cash discount shall be available. When cash discount is offered, the discount price is computed from the date of invoice. Comtel does not offer cash discount on C.O.D. shipments. Should payment not be made to Comtel when due, Comtel reserves the right, until the price has been fully paid incash, to charge Purchaser with interest on such overdue payments at the rate of six percent (6%) per annum. The charging of such interest shall not be construed as obligating Comtel to grant any extension of time in the terms of payment.

14. CHANGES AND CANCELLATION

Orders accepted by Comtel are not subject to changes or cancellation by Purchaser, except with Comtel's written consent. In such cases where Comtel authorizes changes or cancellation, Comtel reserves the right to charge Purchaser with reasonable costs based upon expenses already incurred and commitments made by Comtel, including, without limitation, any labour done, material purchased and also including Supplier's usual overhead and reasonable profit and cancellation charges from Comtel's suppliers.

15. THE AGREEMENT

An acceptance and official confirmation of Purchaser's order by Comtel shall constitute the complete agreement, subject to the terms and conditions of sale herein set forth, and shall supersede all previous quotations, orders or agreements. The law of the Federal Republic of Germany shall govern the validity, interpretation and enforcement of these terms and conditions of sale and of any contract of which these terms and conditions are a part. Exclusive jurisdiction is the Court Munich II, Chamber for Commercial Affairs.