

1. Order, Acceptance, Documents of Quotation

1.1. These terms and conditions shall apply exclusively to all orders of emma technologies GmbH (hereinafter referred to as "emma") unless otherwise agreed. Any Supplier's terms and conditions or divergent terms and conditions in its confirmation of an order are hereby expressly rejected.

1.2. The acceptance of order confirmations or deliveries shall in no event mean that such deviating terms have been accepted. With the acceptance of the order, the Supplier recognizes their exclusive applicability also with effect to further orders.

1.3. Orders are binding if they have been made or have been confirmed in writing.

1.4. Except as agreed otherwise, no payments shall be granted for the preparation of quotations, drawings, plans and the like.

1.5. emma reserves all ownership rights and copyrights in its own material provided with the order. Such material must only be used for production based on the order and the Supplier shall return them immediately after execution of the order. No. 14 of these terms and conditions applies accordingly.

2. Delivery and Dispatch

2.1. The delivery shall be effected in execution of the order or any subsequent instruction by emma at the agreed dates or in accordance with delivery dates noted subsequently. The Supplier shall immediately notify emma of any anticipated change in delivery dates.

2.2. The Supplier shall adhere to the dispatch regulations issued by emma and the forwarder or carrier. emma's order and article numbers are stated in all dispatch documents, correspondence and invoices. The Supplier shall bear the additional costs if dispatch documents are missing or have been incorrectly filled out.

2.3. Supplier shall bear all costs for transport, including packaging, storage charges, the necessary insurance and all other secondary costs, if not otherwise agreed on or unless emma has already made arrangements.

2.4. A packing slip and delivery note stating emma's order and article numbers as well as, if necessary, a pro forma invoice shall be enclosed

with all shipments. If the Supplier intends to fulfill its obligations through partial shipments, the Supplier shall provide separate notice thereof without emma being obligated to permit partial delivery. The delivery notes shall contain additional information about the shipped quantity, gross and net weights.

2.5. The risk of delivery shall pass to emma upon full acceptance of the goods or services at the earliest.

3. Delivery Dates

3.1. The delivery time and deadlines stated in the orders are binding and shall be met upon arrival at the agreed point of receipt.

3.2. emma is entitled to refuse acceptance of goods or services that are delivered at a date other than indicated in the order and to return such goods or services or store it with third parties at the risk and account of the Supplier.

3.3. In the event that emma is unable to accept shipments due to circumstances that could not be prevented in spite of reasonable care (e.g. plant malfunctions, strikes, lock outs), the time of acceptance shall be postponed by the duration of the obstruction. If acceptance is not possible due to the above mentioned circumstances for more than six months, emma shall be entitled to withdraw from the contract without being obligated to compensate the Supplier for such withdrawal.

4. Quality and Acceptance

4.1. The Supplier assures that the goods and services comply with the submitted specifications, existing standards, state of the art technology and other information provided, and that the goods or services delivered feature the agreed quality and other agreed properties, in particular that the delivered items are compliant in form, fit and function.

4.2. When carrying out inspections on outgoing shipments, the Supplier shall carry out suitable and state of the art quality inspections by type and scope. If random outgoing inspections according to the agreed AQL values have been specified in the order, the Supplier shall proceed in accordance with the random inspection

emma technologies GmbH

Felmerstr. 4b
24251 Osdorf
GERMANY

Tel.: +49 431 260 937-0
Fax: +49 431 260 937-29

eMail: ask-emma@emma-technologies.com

Administration:

Wacholderstraße 24
24229 Schwedeneck
GERMANY

Tel.: +49 431 260 937-11
Fax: +49 431 260 937-29

Geschäftsführer/CEO: Martin Volz

USt-Id-Nr. / VAT Reg No.: DE 814 957 087
Steuernummer / TAX Reg No.: 20 293 080 92

Sitz der Gesellschaft/Registered Office:
Schwedeneck, Deutschland (Germany)

Handelsregister/Commercial Register:
Amtsgericht (District Court) Kiel HRB 9768 KI

procedures so that OC lines fall short of the AQL value.

4.3. emma reserves the right to inspect the goods or services for apparent and visible defects immediately after receipt and to only accept the goods or services after such inspections. Inspection may be carried out in accordance with Clause 4.2. If the maximum rate of defects exceeds the limits permitted by the inspection procedure, emma may after consultation with the Supplier carry out an inspection of all goods and services at the Supplier's cost and risk and demand replacement of all defective components. emma may choose at its sole discretion to have the defective components returned to the Supplier or stored for collection at Supplier's cost. In case of objections regarding the delivery and its quality the Supplier may be charged the costs for additional inspections and replacement deliveries. During the warranty period the Supplier shall waive the objection of delayed notification where concealed and hidden defects are concerned.

4.4. With regard to sizes, weights and quantities of the delivery the values determined by emma during the inspection of the received deliveries shall be binding. At emma's request quality inspections may be carried out by emma's representatives at the Supplier's facility.

4.5. Machines and installations to be delivered shall comply with the rules for accident prevention of the Employers' Liability Insurance Association, the VDE provisions (Verband Deutscher Elektrotechniker – German Electrotechnology Federation), the German work safety laws, environmental protection provisions and other applicable regulations.

4.6. In the event of defective or late deliveries emma shall be entitled to claim late delivery charges at 0,1 % of the order value per day up to a maximum of 10% of the order value. In the event of late delivery such late delivery charges shall remain effective even if they are not expressly reserved upon acceptance. emma reserves the right to make further claims without having to raise specific provisos on acceptance.

4.7. Workshop tests, quality certificates, approval certificates and the like requested by emma shall be provided to emma upon delivery.

5. Prices and Terms of Payment

5.1. Agreed prices are maximum prices with deduction clause; emma shall be credited with price reductions that have occurred during the period between the order and payment of the invoice. The price provided in the offer shall include the price for any delivered quantity exceeding the volume actually ordered by emma. Any additional claim regarding such exceeding quantity, especially any provided invoice with respect to such exceeding quantity, shall not be accepted and balanced by emma. emma shall not be obligated to explicitly reject such claim and/or invoice. The price agreed upon shall also include all costs arising out of the purchase of tools and other equipment and their maintenance becoming necessary for the performance and in the course of the order. Such purchase and maintenance shall be carried out by the Supplier.

5.2. Invoices shall be prepared immediately after dispatch of the goods or services and shall indicate the order and article numbers. The value added tax has to be stated separately. Incorrect invoices shall be deemed as not provided.

5.3. Terms of payment: 14 days after receipt of the goods or services or invoice minus 3% discount or 30 days net. emma in its sole discretion shall have the choice between different means of payment. In the event of defective or incomplete delivery the 14 days payment period shall be extended until the deliveries have been corrected insofar as the Supplier has been informed of the respective objections. The payment period shall commence at the earliest at the day of the agreed delivery.

5.4. Payments shall be conditional to deliveries, prices and calculations being correct. In the event of a defect covered by the warranty emma shall be entitled to withhold payment until the warranty obligation has been fulfilled.

5.5. Missing documents or documents that have not been provided in time shall postpone the due date of the payments correspondingly.

6. Set off

6.1. The Supplier shall only be entitled to set off claims with undisputed claims or claims judicially determined.

emma technologies GmbH

Felmerstr. 4b
24251 Osdorf
GERMANY

Tel.: +49 431 260 937-0
Fax: +49 431 260 937-29

eMail: ask-emma@emma-technologies.com

Administration:

Wacholderstraße 24
24229 Schwedeneck
GERMANY

Tel.: +49 431 260 937-11
Fax: +49 431 260 937-29

Geschäftsführer/CEO: Martin Volz

USt-Id-Nr. / VAT Reg No.: DE 814 957 087
Steuernummer / TAX Reg No.: 20 293 080 92

Sitz der Gesellschaft/Registered Office:
Schwedeneck, Deutschland (Germany)

Handelsregister/Commercial Register:
Amtsgericht (District Court) Kiel HRB 9768 KI

7. Assignment

7.1. The assignment of claims against emma shall only be permitted after emma's written approval.

8. Warranty

8.1. Warranty and warranty period shall be provided in accordance with German Law and its respective provisions unless otherwise indicated hereinafter. Upon first demand the Supplier shall indemnify emma from any claims raised due to product defects, violations of third party property rights and product damage considering the Supplier's share in cause. The Supplier shall maintain a suitable product liability insurance.

8.2. In the event of defective deliveries the Supplier shall at emma's sole discretion and in accordance with applicable legal provisions replace the product ("Nacherfüllung") free of charge, grant a price reduction or rectify the defect free of charge. In the event of major and/or significant defects emma shall also be entitled to withdraw from the contract. emma may alternatively claim damages in accordance with the legal provisions. In case of any delivery divergency customary in trade the Supplier undertakes to fully meet its remaining delivery obligations according to the agreed order.

8.3. In urgent cases emma shall be entitled on prior consultation with the Supplier to eliminate the defects at the Supplier's cost. The same applies in the event that the Supplier is in default with the fulfillment of its warranty obligations.

8.4. If during the statistical inspection procedure described in the order it is determined that the maximum defect rate has been exceeded, emma is entitled to lodge complaints for defects of the entire delivery or by prior consultation with the Supplier to inspect the entire consignment at Supplier's cost.

8.5. The Supplier shall be liable for replacements and remedies to the same extent as for the originally delivered items, hence, also for, but not limited to, transport, travel, labor and material costs. The warranty period for replacement deliveries shall commence on the day on which the replacement delivery has been received by emma.

8.6. The return of goods for which claims are being raised is effected under retention of title to the benefit of emma if payment or other performances have already been provided by emma. The value of this security is limited on a pro-rata basis to the value of payment, performance or cost already provided by emma and only to the extent as such retention does not prevent the security from being constituted.

8.7. In the event of repeated delivery of defective goods emma shall be entitled to claim the damage suffered and to withdraw from the contract. In the event of successive shipments or successive delivery contracts, emma shall be entitled to immediately terminate the contract. Production equipment, in particular tools, shall at emma's sole discretion be returned by the Supplier to emma or the costs for such tools which have not yet been amortized be paid back.

8.8. The Supplier is obliged to reimburse suitable costs for recall campaigns based on applicable product liability laws. A respective notice of comments shall be sent to the Supplier by emma as soon as possible.

9. Responsibility for Subsupplier

9.1. The Supplier shall assume full responsibility for deliveries and performances made by its subsuppliers.

10. Most-Favored Treatment

10.1. The Supplier shall inform emma about the individually most favorable terms under which it provides its goods and services to others, whereas in type and scope such deliveries shall be comparable with those of the existing or intended delivery. In this event the Parties hereto shall negotiate corresponding terms and prices for the future.

11. Ownership of Hardware, Information and Data

11.1. emma shall remain the owner of drawings, designs, samples, production regulations, company internal data, tools, equipment and on the like provided by emma to the Supplier for the purpose to quote prices, furnish a quotation or carry out its obligations

under the contract. This shall also apply to the tools and equipment mentioned in Article 5.1. The aforementioned items may not be used for other purposes, copied or made accessible to third parties and shall be stored with the appropriate care of a prudent business man (best practice). With respect to such items the Supplier shall become emma's agent in possession only.

12. Industrial Property Rights

12.1. The Supplier assures that third party rights do not exist or prevent the use as intended, in particular that industrial property rights held by third parties have not been violated. Insofar as claims are filed against emma due to possible violations of third party rights, e.g. of copyrights, patents and other industrial property rights, the Supplier shall relieve emma from such claims and from any related obligation.

13. Export-Restrictions

13.1. The Supplier assures that the use of its products does not violate any export regulations, especially those under US Law. The Supplier shall immediately inform emma in writing on any concerns arising in this respect as well as on any components to be delivered especially being part of the United States Munitions List and/or being subject to the EAR and/or ITAR regulations. The Supplier is responsible for obtaining the respective licenses. The Supplier shall provide emma with a copy of the obtained export license free of charge for emma.

13.2. Products for which an export permit by the German authorities and/or a (re-)export license by the US American authorities is required shall be identified by prominent notice.

14. Confidentiality

14.1. The Supplier is obligated to treat the order and all related commercial and technical details as a trade secret and to handle them in a confidential manner. The Supplier shall bind its sub-suppliers accordingly.

14.2. The Supplier may publish its business relationship with emma advertising purposes only if emma has provided prior written approval therefore.

15. Data Protection

15.1. The Supplier provides its revocable consent that provided personal data may be stored and processed on an order-related basis in accordance with the applicable legal provisions by emma, its affiliated companies or by companies commissioned accordingly. The addresses of the individual recipients of such data may be provided on request.

16. Public Procurement

16.1. Additional or differing terms and conditions may apply to deliveries in cases of public procurement.

17. Non-discriminating performance/Legal Compliance

17.1. The Supplier shall perform its obligations in a non-discriminating way in accordance with the German General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz) as well as in full compliance with applicable laws.

18. Final Provisions

18.1. Orders and deliveries are exclusively subject to the laws of the Federal Republic of Germany. The application of the international purchasing regulations (CISG / UNCITRAL) is excluded. The exclusive place of jurisdiction for merchants with regard to all disputes arising out of this contract is Kiel, Germany.

18.2. The place of performance for deliveries and performances shall be the place of delivery specified in the order.

18.3. If any provision of this contract or of these terms and conditions is or becomes ineffective the validity of the remaining terms shall not be affected.