

GENERAL TERMS AND CONDITIONS OF SALE ("GTC")

1. SCOPE

1.1. These General Terms and Conditions of Sale ("GTC") together with all applicable end-user or software license agreements govern all contracts and related relationships (such as submissions of offers and orders, contract negotiations etc.) between WACHENDORFF ELECTRONICS Inc. ("Wachendorff") and the customer ("Customer") with regard to the sale of products ("Products") and the provision of related services ("Services") by WACHENDORFF to Customer. The GTC form an integral part of any agreements concluded between WACHENDORFF and Customer.

1.2. By placing an order for Products or Services of WACHENDORFF, the Customer restates, accepts, agrees and acknowledges that the sale of such Products and the provision of such Services are subject to these GTC.

1.3. The GTC together with all applicable end-user or software license agreements constitute the entire agreement between the Customer and WACHENDORFF regarding the contractual terms applying to the delivery of Products and the provision of Services and supersede all previous communications and understandings of WACHENDORFF and the Customer. WACHENDORFF shall not be bound by any other statements relating to the Products or Services, unless such statements are made in writing, expressly declared as being of binding contractual nature, and signed by the duly authorized representatives of WACHENDORFF. In the event of any conflict, the provisions of the GTC shall prevail.

1.4. General terms and conditions of purchase and other contractual documents of the Customer are expressly rejected hereby are otherwise waived and excluded. This waiver and exclusion shall apply even if general terms and conditions or other contractual documents of Customer were incorporated into an order of Customer, or otherwise referenced or notified to WACHENDORFF.

2. OFFERS, ACCEPTANCE AND COMING INTO FORCE OF CONTRACTS

2.1. WACHENDORFF's offers, pricelists, product descriptions, datasheets, handouts and technical documentations are not binding and may be modified or revoked at any time.

2.2. Any contract with WACHENDORFF enters into force only upon acceptance by WACHENDORFF. Customer's orders are hereby deemed to be offers for the conclusion of a contract. WACHENDORFF expresses its acceptance of an order either by issuance of an order confirmation or by execution of an order.

2.3. WACHENDORFF's order confirmations include a detailed description of the Products sold and of the Services provided. If no order confirmation is issued, the description may derive from an offer of WACHENDORFF or from the order of the Customer. WACHENDORFF reserves the right to make improvements, substitutions or modifications to any part of the Products prior to delivery.

3. DELIVERY

3.1. The Products are delivered EXW/WACHENDORFF, Elgin IL, USA, Incoterms 2000. The risk of loss and damage passes to Customer upon WACHENDORFF's dispatch of the Products to a carrier for shipment to Customer. The Customer shall be responsible for filing any claims with the carrier. Unless WACHENDORFF receives other instructions from the Customer in writing prior to shipment, WACHENDORFF will select the method of shipment and will package the Products in accordance with WACHENDORFF's standard practices. It is Customer's sole responsibility to pay for and obtain any governmental or other licenses, certificates or documentation as may be required.

3.2. Delivery and shipping dates are estimates only and approximate. WACHENDORFF shall not be in default nor be liable to Customer or any other party for any damage, loss or expenses incurred as a result of delayed delivery or non-delivery of Products. A delay shall not entitle Customer to any cancellation, rescission or modification of a contract.

3.3. The Customer shall inspect all deliveries on completeness and conformity. A delivery shall be deemed to be accepted unless Customer notifies WACHENDORFF in writing to the contrary within seven days upon receipt. If a delivery is proven to be incomplete or non-conforming, WACHENDORFF will re-perform the delivery to such extent as required to achieve a proper delivery.

4. PRICES

4.1. Prices are quoted in USD.

4.2. Prices are ex works and net. Additional or incidental costs and charges, such as for freight and insurance, and export, transit and import levies, fees, duties, customs and any and all taxes, and licensing and certification fees, are excluded and shall be borne and paid solely by Customer.

4.3. Prices are exclusive of value added, sales, use, excise and other applicable taxes, charges, duties or fees, which will be invoiced separately to and shall be paid by Customer.

4.4. WACHENDORFF may adjust agreed prices in case of substantial price increases of, or the need to procure substitutes for, components of other manufactures included in the Products or other extenuating circumstances.

5. PAYMENT AND PAYMENT TERMS

5.1. The Products are to be paid in advance or upon dispatch for delivery. In case of successive or repeated deliveries (more than one delivery under a contract), payment is to be made per delivery. Services are to be paid in advance or upon provision.

5.2. Invoices are payable within thirty days from the date of invoice, net and without any deductions or set-off. Payments are deemed to have been made when the invoice amount is credited to WACHENDORFF's bank account. Customer shall in no case be entitled to withhold any payments, including in cases of delayed, incomplete or non-

conforming deliveries or of outstanding warranty claims.

5.3. Interest of 4% per annum above the then applicable prime rate (or, if less, the maximum rate permitted by law) shall accrue and become payable on all amounts not paid within the payment period, without any further reminder by WACHENDORFF being required.

5.4. In case of Customer's payments being delayed or at risk, WACHENDORFF may withhold and suspend any (further) deliveries under the affected or any other contract with Customer, or rescind all or parts of the affected or any other contract with Customer, and claim damages.

5.5. Customer agrees to reimburse WACHENDORFF for any costs and expenses (including reasonable attorney's fees) in connection with the collection of any amounts owed to WACHENDORFF under any contract.

6. SECURITY INTEREST

6.1. Customer hereby grants to WACHENDORFF a security interest in the Products sold in connection herewith to secure payment of the purchase price of such Products and agrees, and appoints WACHENDORFF its agent, to take all such action and to execute all such documents and instruments as may be necessary or reasonably requested by WACHENDORFF to perfect and continue its security interest hereunder.

7. LIMITED PRODUCT WARRANTY

7.1. Except as expressly provided in this section or otherwise provided in writing to Customer, WACHENDORFF makes no representations or warranties of any kind or nature, express or implied. WACHENDORFF excludes and disclaims all express and implied warranties for the Products, including, without limitation, any warranties as to accuracy, satisfactory quality, functionality, performance, durability, of merchantability and fitness for a particular purpose. In lieu thereof, for one year from the date of dispatch for delivery, WACHENDORFF warrants that the Products are believed (i) to be in conformity with the product specifications issued by WACHENDORFF, and (ii) to be free from substantial defects in workmanship and materials.

7.2. The warranty does not extend to and any warranty is excluded for software, if any, embedded in the Products.

7.3. The warranty does not extend to and any warranty is excluded for non-conformities and defects of the Products deriving or resulting from (i) components of other manufacturers included in the Products, (ii) improper handling, installation or use, (iii) unauthorized repair or alterations, (iv) non-observance of operating instructions, (v) negligence or accident, or (vi) normal wear and tear.

7.4. Each warranty claim shall be in writing and specify the type of Product and the nature of the defect. Upon receipt of a claims notice, WACHENDORFF shall have the option of testing or inspecting the affected Product at its location or of having the Product returned to the

WACHENDORFF. WACHENDORFF will analyze the claim and notify Customer whether a claim falls within the warranty or not. Claiming an alleged defect does not relieve Customer of any of its payment obligations to WACHENDORFF.

7.5. Warranty claims shall be notified to WACHENDORFF within one year from the date of dispatch for delivery (warranty period) at the latest. Costs and charges for freight, insurance, customs and similar of a return and redelivery shall be borne by Customer.

7.6. WACHENDORFF's obligations under the warranty shall be limited to, at WACHENDORFF's option, refund the purchase price of, or repair or replace, at WACHENDORFF's expense, all such Products which are proven to be non-conforming or defective.

7.7. The refund or repair or replacement of Products is WACHENDORFF's sole obligation and Customer's sole remedy for a breach of warranty. Any other rights and remedies of Customer are expressly excluded. In particular, but not limited to, Customer waives entitlements, if any, to a reduction of the compensation, to a rescission, and to the bringing in of a third party. WACHENDORFF shall not be liable for damages, losses, costs or claims arising from its failure to conform with the warranty.

8. SERVICES

8.1. WACHENDORFF performs the Services in a professional and workmanlike manner and with qualified personnel. WACHENDORFF does not assume any obligation to deliver particular results or deliverables when providing Services and expressly disclaims all warranties, if any, for the provision of Services.

9. EXCLUSION OF LIABILITY

9.1. Except as otherwise agreed in writing, WACHENDORFF's liability with respect to Products and Services shall be limited to the warranty provided in Articles 7 and 8 hereof, and shall be limited to the purchase price.

9.2. EXCEPT AS OTHERWISE LIMITED BY LAW, WACHENDORFF SHALL NOT BE SUBJECT TO ANY OTHER OBLIGATIONS OR LIABILITIES, WHETHER ARISING OUT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHER THEORIES OF LAW, WITH RESPECT TO PRODUCTS OR SERVICES SOLD, BY WACHENDORFF, OR UNDERTAKINGS, ACTS OR OMISSIONS RELATING THERETO. UNDER NO CIRCUMSTANCES WILL WACHENDORFF BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR ANY OTHER LOSS, DAMAGE OR EXPENSE OF ANY KIND, INCLUDING LOSS OF PROFITS, ARISING IN CONNECTION WITH ANY CONTRACT OR WITH THE USE OR LIABILITY TO USE WACHENDORFF'S PRODUCTS OR SERVICES FURNISHED UNDER ANY CONTRACT. WACHENDORFF'S SOLE LIABILITY AND CUSTOMER'S SOLE REMEDY IS AS DESCRIBED IN SECTION 7.6 HEREOF.

9.3. To the extent permitted by law and without limiting the generality of the foregoing, WACHENDORFF specifically disclaims any liability for property or personal injury damages, penalties, special

or punitive damages, damages for lost profits or revenues, loss of use of Products, or any associated equipment, cost of capital, cost of repairs to Products subject to WACHENDORFF's warranty performed by persons other than WACHENDORFF without WACHENDORFF's prior written consent, cost of substitute Products, facilities or services, down-time or slow-down costs or for any other types of economic loss, and for claims of Customer's customers or any third party for any such damages. WACHENDORFF disclaims any liability for any claim, whether in contract or in tort, which arose more than one year prior to the initiation of arbitration or litigation by Customer against WACHENDORFF.

9.4. Customer agrees to cause its customers and anybody in the chain of manufacturing supply and distribution including the end customer to be bound by limitations of liability substantially equal to those contained in these GTC.

10. INTELLECTUAL PROPERTY RIGHTS

10.1. Title to and ownership of any intellectual property rights in the Products and Services, including all patents, copyrights and other intellectual property rights relating thereto, shall at all times remain solely and exclusively with WACHENDORFF. Customer acknowledges that WACHENDORFF has proprietary interests in the Products. WACHENDORFF's sale of Products to Customer does not convey to Customer any license or any other right, express or implied, under any such intellectual property rights other than rights granted pursuant to an end-user or software license agreement accompanying the Products.

10.2. WACHENDORFF confirms that to its best knowledge and belief, there are no rights of third parties that could be infringed by the Products. WACHENDORFF, however, cannot and does not warrant that the Products do not infringe rights of third parties.

11. REGULATIONS

11.1. It is the sole responsibility of Customer to assure that the Products comply with the applicable regulations and standards relating to the importation, design and operation of the Products, if any, in the country of destination. WACHENDORFF will provide Customer upon request the related pertinent information on the Products and copies of certificates obtained by WACHENDORFF for the Products.

11.2. The export of the Products may be subject to export control laws of the United States. The Customer shall not export or re-export Products or systems incorporating the Products without first having obtained all such written consents or authorizations as may be required by any applicable laws or government regulations. You also agree that you will not use the Products or any related software for any purposes prohibited by laws of the United States, including, without limitation, the development, design, manufacture or production of missiles, nuclear, chemical or biological weapons.

12. CONFIDENTIALITY

12.1. WACHENDORFF and the Customer agree that certain information supplied by each to the other may be proprietary or confidential. All such information shall be clearly marked "confidential", shall be held in

confidence by the receiving party and shall be used only for the purpose of the contractual relationship.

13. APPLICABLE LAW AND PLACE OF JURISDICTION

13.1. These GTC and all contracts and related relationships (such as submissions of offers and orders, contract negotiations etc.) between WACHENDORFF and Customer shall be governed by and construed in accordance with laws of the State of Illinois, without giving effect to the United Nations Convention on Contracts for the International Sale of Goods or its conflict of laws provisions.

13.2. Place of performance of all transactions relating to these GTCs shall be deemed to be in Illinois.

13.3. All disputes arising out of or in connection with these GTC shall be finally settled under the rules of arbitration of JAMS before one arbitrator. The place of arbitration shall be Chicago, Illinois. The arbitrator shall provide a written opinion of their factual findings and legal rationale. Each party shall be responsible for its costs of the arbitration. The award by the arbitrator or arbitrators shall be final and binding, and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

14. MISCELLANEOUS

14.1. In the event that WACHENDORFF cannot perform or fulfill its obligations in whole or part for any reason beyond its reasonable control, WACHENDORFF may at its discretion withdraw from all or parts of the affected contract(s) with Customer. WACHENDORFF shall not be liable for any loss or damage arising from its failure to perform its obligations for any reason whatsoever beyond its reasonable control.

14.2. Customer shall not be entitled to assign rights and obligations under a contract with WACHENDORFF to any third party without the prior written consent of WACHENDORFF.

14.3. The invalidity of any part of these GTC shall not affect the validity of the remainder. Instead of any provisions that are invalid or null and void, provisions shall apply which correspond as close as possible to the intentions as expressed herein.

14.4. Textual declarations that are transferred or recorded via electronic means (telefax, e-mail, Internet and similar) shall be deemed as declarations in writing. The burden of proof that the recipient took notice of such declarations shall be with the sender. Such declarations shall be deemed to be received by the recipient upon the recipient having taken notice thereof.