General Conditions of Sales

FAGOR ELECTRÓNICA, S. COOP.



1. Scope on Application

All supplies and the services associated with them shall be provided exclusively on the basis of these General Conditions of Sale. References made by Buyer to his general terms and conditions are hereby rejected. Seller's General Conditions of Sale shall also apply to all future business. Deviation from these General Conditions of Sale require the explicit written approval of the Seller.

2. Offer and Acceptance

Seller's quotations are not binding offers but must be seen as invitations to Buyer to submit a binding offer. The contract is concluded by Buyer's order (offer) and Seller's acceptance. In case the acceptance differs from the offer, such acceptance constitutes a new non-binding offer of Seller.

The following terms and conditions are an integral part of the company's invoice, quotation and order confirmation and/or acknowledgement, acceptance is expressly made subject to the terms and conditions stated in this agreement. none of the terms and conditions contained in this agreement may be added to, modified, superseded or otherwise changed except in writing. all orders received from buyer by the company shall be governed only by the terms and conditions contained in this agreement regardless of those that may be stated on buyer's purchase order, release or other document for product or service purchase

3. Product quality, specimens and samples; guarantees

3.1

Unless otherwise agreed, the quality of the goods is exclusively determined by Seller's product specifications. Identified uses under the European Chemicals Regulation REACH relevant for the goods shall neither represent an agreement on the corresponding contractual quality of the goods nor the designated use under this contract.

3.2

The properties of specimens and samples are binding only insofar as they have been explicitly agreed to define the quality of the goods.

3.3

Quality and shelf-life data as well as other data constitute a guarantee only if they have been agreed and designated as such.

4. Advice

Any advice rendered by Seller is given to the best of his knowledge. Any advice and information with respect to suitability and application of the goods shall not relieve Buyer from undertaking his own investigations and tests.

5. Prices

If Seller's prices or Seller's terms of payment are generally altered between the date of contract and dispatch, Seller may apply the price or the terms of payment in effect on the date of dispatch. In the event of a price increase, Buyer is entitled to withdraw from the contract by giving notice to Seller within 14 days after notification of the price increase.

6. Delivery

Delivery shall be effected as agreed in the contract. General Commercial Terms shall be interpreted in accordance with the INCOTERMS in force on the date the contract is concluded.

7. Damage in Transit

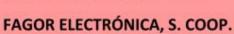
Notice of claims arising out of damage in transit must be lodged by Buyer directly with the carrier within the period specified in the contract of carriage and Seller shall be provided with a copy thereof.

8. Compliance with legal requirements

Unless specifically agreed otherwise, Buyer is responsible for compliance with all laws and regulations regarding import, transport, storage and use of the goods.

Intellectual property indemnification: Because of the complexity of design and manufacturing techniques for electronic components and of the intellectual property rights pertaining thereto, Seller is not able to declare that its Products do not infringe the intellectual property rights of third parties. In the event that a third party makes a claim alleging that Products, as delivered by Seller to Buyer, infringe a third party's intellectual property rights, Seller undertakes at its option and cost to defend the claim or seek a compromise; if an unfavorable and final judgment is rendered against Seller, it shall at its option take out a license from the above mentioned third party or shall modify the Products, in such a way as to avoid infringement. If such a solution shall be impracticable for economic and/or technical reasons, Seller shall accept the return of the Product supplied and shall reimburse the Buyer up to a maximum equal to the amount paid by the Buyer for the Products deemed to infringe. Such indemnification shall only be due by the Seller provided that Buyer (i) promptly notifies Seller in writing of the claim of infringement and (ii) allows Seller to control, and co-operates with Seller, in the defense and any related settlement action. Furthermore, such indemnification shall not apply to any claims of infringement (i) involving Products made, provided or modified by Seller in compliance with the requirements or specifications of Buyer or of a third party beneficiary with the consent of Buyer, (ii) deriving from the combination or use of a Product by Buyer with any other product, software, service, or technology, even if such Product has no substantial use other than as part of such combination or use, (iii) deriving from the programming of Products, except if made by Seller, (iv) deriving from Seller's compliance with any industry or proprietary standard or Buyer's use of the Product to enable the implementation of any such industry or proprietary standard. Buyer agrees to indemnify Seller and hold Seller harmless from any damages and costs arising out of or in connection with claims of infringement made against Seller pursuant to (i), (ii), (iii) or (iv) above.

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9. Delay in Payment

9.1

Failure to pay the purchase price by the due date constitutes a fundamental breach of contractual obligations.

9.2

In the event of a default in payment by Buyer, Seller is entitled to charge interest on the amount outstanding at the rate of 5 percentage points above the base interest rate announced by the European Central Bank at the time payment is due if the amount is invoiced in Euros, or, if invoiced in any other currency, at the rate of 5 percentage points above the discount rate of the main banking institution of the country of the invoiced currency at the time the payment is due.

9.3

In the case of delinquency in payment, Seller will have the right to put on hold next shipment to buyer, regardless the orders were duly confirmed by Seller.

10. Buyer's rights regarding defective goods

10.1

Seller must be notified of any defects that can be discovered during routine inspection within four weeks of receipt of the goods; other defects must be notified within four weeks after they are discovered. Notification must be in writing and must precisely describe the nature and extent of the defects.

10.2

If the goods are defective and Buyer has duly notified Seller in accordance with item 10.1, Buyer has its statutory rights, provided that:

- **a)** Seller has the right to choose whether to remedy the defect or supply Buyer with non-defective replacement goods.
- **b)** Seller may make two attempts according to lit. a) above. Should these fail or cause unreasonable convenience to Buyer, Buyer may either withdraw from the contract or demand a reduction in the purchase price.
- c) With regard to claims for compensation and reimbursement of expenses on a defect, item 11 applies.

10.3

Buyer's claims for defective goods are subject to a period of limitation of one year from receipt of the goods.

In the following cases the legal periods of limitation apply instead of the one-year period:

- a) liability for willful misconduct,
- b) fraudulent concealment of a defect.

11. Liability

11.1

Seller shall be generally liable for damages in accordance with the law. In the event of a simple negligent violation of fundamental contractual obligations, however, Seller's liability shall be limited to compensation for typical, foreseeable losses. The losses shall not be assignable by the Buyer voluntarily or involuntarily without the written consent of the Seller.

In the event of a simple negligent violation of non-fundamental contractual obligations, Seller shall not be liable.

11.2

Seller is not liable to Buyer in case of impossibility or delay in the performance of its supply obligations if the impossibility or the delay is due to orderly compliance of regulatory and legal obligations in connection with the European Chemicals Regulation REACH being triggered by Buyer.

11:

Limitation of liability: any claim for alleged breach or default arising from infringement or alleged infringement of any patent, trademark, copyright, mask work right, or other intellectual property right by Seller products shall be limited to the provisions set forth above in article 8. In addition Seller shall have no liability under these terms and conditions for any loss arising from any claim made against buyer, or for any indirect, special or incidental, consequential or for punitive damages incurred by buyer, including without limitation cost of removal or reinstallation, ancillary costs for the procurement of substitute products or services, retesting, labour cost, loss of profits or loss of use, based on any breach or default of Seller. Buyer's sole remedy and Seller's sole and total liability for any cause of action, whether in contract (including breach of warranty) or tort (including negligence or misrepresentation) or under statute or otherwise shall be limited to and shall not exceed the price allocable to the products which give rise to the claims. Buyer shall always inform Seller of any breach and allow Seller reasonable opportunity to correct the breach.

12. Set off

The Buyer hereby waives any and all rights to offset existing and future claims against any payments due for products sold hereunder or under any other agreement that the Buyer and the Company may enter into and agrees to pay the amounts due regardless of any claimed offset which may be asserted by the Buyer or on its behalf.

13. Security

If there are reasonable doubts as to Buyer's ability to pay, especially if payments are in arrears, Seller may, subject to further claims, revoke credit periods and make further deliveries dependent on advance payments or other security.

14. Retention of Title

14.1

The goods shall remain the property of the Seller until the purchase price has been paid in full.

14.2

Seller may reclaim the goods on account of the retention of title even if he has not yet withdrawn from the contract.

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15. Force Majeure

To the extent any incident or circumstance beyond the Seller's control (including natural occurrences, war, strikes, lock-outs, shortages of raw materials and energy, obstruction of transportation, breakdown of manufacturing equipment, fire, explosion, acts of government), reduces the availability of goods from the plant from which the Seller receives the goods such that Seller cannot fulfill its obligations under this contract (taking into account on a pro rata basis other supply obligations), Seller shall (i) be relieved from his obligations under this contract to the extent Seller is prevented from performing such obligations and (ii) have no obligation to procure goods from other sources. The first sentence does also apply to the extent such incident or circumstance renders the contractual performance commercially useless for Seller over a long period or occurs with suppliers of Seller. If the aforementioned occurrences last for a period of more than 3 months, Seller is entitled to withdraw from the contract without the Buyer having any right to compensation.

16. Place of payment

Regardless of the place of delivery of goods or documents, the place of payment shall be Seller's place of business.

17. Communication

Any notice or other communication required to be received by a party is only effective at the moment it reaches this party. If a time limit has to be observed, the notice or other communication has to reach the recipient party within such time limit.

18. Jurisdiction

Any dispute arising out of or in connection with this contract shall be heard, at Seller's option, at the court having jurisdiction over Seller's principal place of business.

19. Applicable law

The contractual relationship shall be governed by the law applicable at the place of Seller's head office, including the provisions of the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 (CISG), irrespective of whether Buyer's place of business is in a CISG state or not.

20. Contract Language

If these General Conditions of Sale are made known to Buyer in another language, in addition to the language in which the sales contract has been concluded (Contract Language), this is merely done for Buyer's convenience. In case of differences of interpretation, the version in the Contract Language shall be binding.

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