

General Conditions of Sale

1. General Provisions

- 1.1 The contract is based exclusively on the General Conditions of Sale as hereinafter set forth. They are valid by analogy also if the object of the contract is any work.
- 1.2 The customer's purchasing conditions are rejected, they do not become part of the contract.
- 1.3 These General Conditions of Sale are also valid for future businesses without further express agreement.

2. Conclusion of Contract

- 2.1 Offers of the supplier are without engagement. If the offer contains quantities, dimensions, weights or drawings, these are deemed approximate. If the customer requires the adherence to exact dimensions, he has to express this in his order.
- 2.2 Plans, drawings, or other documentation are handed over to the customer for the purpose of conclusion of contract and, if applicable, for its completion. The supplier reserves property of these. No right of use is agreed. They must not be made accessible to third parties. The customer is obliged to return them if the contract negotiations fail or they are no longer required for completion of the contract.
- 2.3 Samples are only supplied against payment.
- 2.4 Insofar as the customer places at disposal samples, plans, drawings, or other documentation, point 2.2 is valid in analogy. The customer is liable towards the supplier for violation of rights of third parties by using this material. There is no obligation of the supplier to investigate this fact.
- 2.5 The contract becomes valid by the order of the customer and the order confirmation of the supplier. For the contents of the contract, the order confirmation of the supplier shall prevail if the customer does not contradict it within three working days from receipt. In the absence of an order confirmation, the customer's contract offer is accepted by the execution of the order.
- 2.6 Order quantities may be exceeded by +/- 10%. In any case, invoicing is based on the actually supplied quantity.
- 2.7 Changes or amendments to the contract require written form. This applies also to an agreement on revocation of the requirement of written form.
- 2.8 In doubt prices mentioned are net prices which are to be increased by the legal VAT. Prices are ex works, costs for transport and packing are not contained.
- 2.9 If raw material prices increase after conclusion of the contract the supplier has the right to increase the prices accordingly. This does not come into effect if the period between conclusion of the contract and the agreed time of contractual supply is less than four months. If the price increase exceeds 10% the customer has the right to withdraw from the contract. Reversely, the supplier has the right to withdraw from the contract in the case that due to an increase in raw material prices the price would have to be increased by 20% or more.

3. Delivery

- 3.1 In doubt, the term of delivery begins with the receipt of the customer's order, but in any case not before clarification of all details necessary for fulfilling the contract and not before furnishing of all documentation or parts by the customer. It is prolonged by the period of time necessary for any import and export procedures. It is furthermore prolonged by the period of time of any obstacle (strike etc.) at the supplier or on of his sub suppliers or subcontractors out of the supplier's influence, and by the period of time of any right of retention of the supplier.
- 3.2 The supplier has the right of retention as long as the customer is in arrears with an obligation from this or another contract between the parties, except if this obligation is minor and does not affect the fulfillment of the contract by the supplier.
- 3.3 The customer may only deny partial shipments if these are unacceptable, taking into consideration also the justified rights of the supplier.
- 3.4 If shipment is delayed upon the customer's request, the supplier may require prepayment in the agreed form.
- 3.5 The time of delivery is considered kept if the goods are shipped in time or the customer is informed that the goods are ready for delivery.

4. Dispatch

- 4.1 The risk passes to the customer when the goods are handed over to the forwarder or carrier, at latest when leaving the supplier's premises. This applies also to FOB and CIF supplies.
- 4.2 Way and means of shipment are selected by the supplier's reasonable discretion. Any insurance of the goods has to be ordered and paid separately by the customer. The supplier has the right to supply COD, all costs arising are chargeable to the customer.
- 4.3 Goods informed ready for shipment have to be called off immediately by the customer. Otherwise the supplier can warehouse the goods at the customer's expense.
- 4.4 Notice of transport damage is to be given immediately to the transporter by the customer or to be written down in a protocol together with the transporter.

5. Payment

- 5.1 The agreed price is due for payment net and consumption tax and without deduction of cash discount at receipt of invoice.
- 5.2 The right of offset or retention is excluded, except if in offset the counterclaim is undisputed or legally valid.
- 5.3 A payment claim is considered in arrears in the event where the payment is not made within the deadline provided under the payment conditions, without requirement of further dunning.
- 5.4 In case of payment arrears, the supplier has the right to prohibit resale, further use, or processing of the goods supplied, and to require their return, as well as to charge to the customer interest in the amount of 5% plus all dunning and collection costs.
- 5.5 If payments are delayed or circumstances become known after conclusion of contract which indicate that the customer will not be able to pay, the supplier may require prepayment.

6. Defects and compensation

- 6.1 Notice of defects is to be given immediately. Notice of defects which could not be detected even after meticulous inspection at receipt of the goods is to be given immediately on discovery. The notice has to be given in writing and per fax in advance. The customer has to allow the supplier to inspect the defects.
- 6.2 If the customer has the right of replacement the supplier has the right for improvement or substitution upon his choice. In case of failure or refusal, the customer has the right to withdraw from the contract or claim reduction.
- 6.3 Claims arising from defects are in lapse one year after delivery of the goods.
- 6.4 The customer has the right of claims for compensation only in the case of intention of gross negligence of the supplier. This limitation of liability does not come into effect for damages of injury of life, body and healthy, and for the violation of any obligation which is part of the contract (cardinal obligation).

7. Reservation of ownership

- 7.1 The supplier reserves ownership of the supplied goods until fulfilment of all claims from the business relation with the customer. If a reservation of ownership does not come to effect acc. to the laws in the country of the customer, the customer has to inform the supplier of this circumstance. In this case the customer is obliged to offer to the supplier an equal security. Instead, the supplier can require prepayment or a letter of credit.
- 7.2 The customer is given the revocable right to sell, use, or process the goods in the normal course of business. In the event of resale to any third party (the "Third Party Buyer") by the customer while the ownership of the supplied goods is reserved to the supplier, the supplier may, at supplier's sole discretion, request the customer to transfer all rights and claims which the customers has against the Third Party Buyer, and to send a notice by a certificate bearing a certified date.
- 7.3 For the case of processing of the reserved material, the parties agree as follows now: The supplier is co-owner of the processed new good. The amount of co-ownership is based on the relation of the invoiced amount of the reserved material to the value of the new good. No. 7.4 is valid in analogy.
- 7.4 Insofar as the value of the securing goods exceeds 120% of the claim to be secured, upon request of the customer, the supplier has to set free securing goods of his choice by assigning the reservation of property to the customer or by re-assigning him the claims towards the customer's customer.
- 7.5 In the case of loss, seizure, destruction, or damage of the securing goods the supplier has to be informed immediately. The customer herewith assigns in advance his claims arising from this towards any third party, particularly the damaging party or the insurance.

8. Tools

8.1 Tools or moulds which the supplier produced or procured for fulfilling the contract remain property of the supplier, also if these are invoiced to the customer.

9. Long-term transactions

9.1 In current long-term transactions, the customer has to make notification timely in advance of the required monthly quantities and request for delivery respectively. Otherwise the supplier has the right to fix the quantities to be supplied monthly himself and supply accordingly after the extension of the original time limit.

9.2 If the agreed total quantity is exceeded by the total of individual requests for delivery, the supplier has the right to make the supply of the exceeding quantity dependent on a new price agreement..

10. Final provisions

10.1 The parties shall use efforts to settle any question arising out of, or in connection with these conditions upon faithful consultation between both parties.

10.2 These conditions shall be governed by Japanese laws and if any disputes concerning the performance and interpretation of these conditions arise, the Tokyo District Court shall be designated as having exclusive jurisdiction as the court of first instance.

11. Compliance with Laws; Import and Export Controls

11.1 The Buyer shall comply with all applicable laws and regulations, including government or court orders, in particular those concerning the fight against corruption, antitrust and fair competition, environmental, health & safety, and fair labor standards.

11.2 The Buyer agrees further to comply with all applicable import and export control laws, including re-export and transfer restrictions, embargoes and sanctions regulations. The Buyer is responsible for obtaining any and all necessary licenses or other approvals that are required for the import, use or export of the Product according to the laws and regulations as are applicable to Buyer.

11.3 In the event that a government agency requests documents from the Seller that requires the cooperation of Buyer (e.g., End-Use Declaration, Import Certificates), the Buyer shall, in a timely and diligent manner, produce such documents or perform such actions as may be requested by the Seller to satisfy the request of the government agency. Should delays in shipment arise as a result of Buyer's failure to cooperate in a timely and diligent manner or due to the government agency approval process, then the time for Seller's performance shall be extended accordingly..

11.4 In the event that the delivery of Product or Seller's performance hereunder becomes impaired, whether temporarily or permanently, due to (i) the applicable national or international laws and regulations, in particular export controls, embargoes or other restrictions, or (ii) the denial or revocation of necessary approvals for reasons not attributable to Seller, the Seller shall be under no further obligation to deliver or to perform hereunder. The Buyer waives any claims against Seller and agrees not to seek any damages or exercise any rights against Seller in such a case. .

11.5 The Buyer agrees to indemnify and hold Seller harmless against any costs or damages incurred by Seller, including any third party claims against Seller, that arise from Buyer's failure to comply with the requirements of this Section 11.