

## TERMS AND CONDITIONS OF SALE

The standard terms and conditions are applicable to companies and businesses, not to consumers. It is our aim to carry out all your orders to your fullest satisfaction. The business conditions set out below shall contribute to reasonably clarify any disagreements in the event that they should arise.

### 1. General

The order placed with us and all future orders for supplies and services will be carried out exclusively under the conditions as set out below, which will be recognized by Buyer by the placing of the order, however, no later than by the acceptance of delivery. Buyer's purchase conditions are not binding on Seller, even if Seller does not expressly contradict thereto.

### 2. Offer/Order/Delivery

2.1. Seller's offers are always non-binding

2.2. The extent of delivery will be as shown in Seller's written offer or in Seller's order confirmation.

2.3. Seller shall take all reasonable efforts to adhere to the agreed periods for delivery and service. Binding are only such dates, which are expressly designated as "binding". Delays of delivery result in a liability according to No. 5

Shipping shall be made for the account and at the risk of Buyer. Place of performance is the registered address of Mabuchi Motor (Europe) GmbH. If Buyer is, per the agreed date, advised of goods being ready for shipping such goods have to be called for immediately. Otherwise the Seller shall be entitled, at its own free discretion, to store them for the account and at the risk of the Buyer and to invoice them as delivered. Partial shipments to a reasonable extend are permissible.

### 3. Payment

Conditions of payment shall in each case be set out in the valid order confirmation. Banking charges and fluctuations in value and exchange rates, if any, shall be borne by Buyer. The prices are net prices, exclusive of VAT; any additional costs and charges (e.g. insurance, freight etc.) will be determined in a separate agreement. The choice of means of packing or transport as well as of the transport insurance shall be made with the due care applied in our own matters.

### 4. Notice of Defects/Warranty

Buyer of the goods undertakes to inspect the goods for completeness and external damage immediately upon receipt thereof. Delivery shall be made on the basis of the specification as determined by Seller/Buyer as well as on the basis of the standard instructions for the use of the products. In absence of a contractually designated use of the goods, the Buyer is obligated to inquire if a particular good is fit for the intended use. Seller does not represent the fitness of the goods for any particular use.

Notices of Defects shall be made in writing to the Seller, in case of obvious defects always within three days from the date of receipt of the goods, in case of hidden defects within one week from the date of discovery of the defect. Upon expiry of this period the goods shall be deemed to have been received in proper condition/without defects. Seller shall be entitled to further rights only after failure of two attempts of rectification. Insubstantial (external) defects which do not affect the function of the goods pursuant to the specification do not provide a basis for the assertion of warranty claims.

By handing over of the goods to the forwarding agent or carrier, however no later than upon leaving of the works or of the warehouse, the danger of accidental destruction shall pass to Buyer. This also applies if partial shipments are made or if the Seller has assumed other services, e.g. forwarding charges or delivery.

Buyer shall immediately advise the responsible carrier of any transport damages.

## 5. Liability

Seller shall be liable without limitations in accordance with statutory provisions if a contractual obligation is breached voluntarily or due to gross negligence by Seller or its representatives, in case of personal injury to health, body or life or in case Seller has expressly undertaken to grant a guarantee. In the event of slight negligence the liability shall be limited to product-specific foreseeable, typical, direct and immediate losses or damages, unless one of the main obligations under the contract is breached. These limitations shall also apply if Seller should be liable in regress, according to Sec. 478 German civil law code (BGB). The limitation of liability shall not apply to claims according to Sections 1 and 4 German Product Liability Code (Produkthaftungsgesetz). The statutory two year period for contractual liability is limited to 1 year.

## 6. Reservation of Title

a) The delivery of goods is exclusively done under the prerequisites of Sec. 449 BGB with the following increments.

b) Seller shall retain title to all goods until the respective remuneration as well as all and any claims resulting from the overall business relationship with the customer including all ancillary claims and charges have been fully paid.

c) Buyer shall uphold Seller's retention of title as far as possible and hereby assigns Seller all claims it may have against third parties resulting from the sale of goods and/or products incorporating goods as components in the amount of the respective purchase price plus ancillary cost, accrued interest and/or expenditures, if any. The Seller hereby accepts such assignation. In the course of current account transactions, such as retention of title and assignation of claims shall serve as security for any debit balance in Seller's favor.

d) In the event that Buyer resells the goods together with other goods, not delivered by Seller, regardless if before or after a transformation ("Umbildung"), the claims are assigned only up to the value of the goods which are delivered according to this contract. Upon request of Seller all goods shall be stored, processed, and sold separately from other suppliers' goods.

e) Subject to Seller's revocation, which will not be unreasonably made, Buyer shall be entitled to collect the assigned claims to the extent and as long as Buyer is not substantially in default with any obligation stemming from its business relationship with Seller. The Seller shall be entitled to notify concerned third parties of the assignment and to collect all outstanding claims once Buyer is in default of the respective payments or goes into liquidation or if a receiver or administrator is appointed in respect of the Buyer of any of its assets.

f) Without Seller's express prior approval Buyer may not mortgage or grant any lien to said goods, or to transfer these by way of security to a third party.

g) If Seller's title to the goods should perish due to such processing, assembly or manufacture using the goods, Buyer shall procure for Seller in (co-)ownership in the new product in relation to the worth of the so-used goods to the new product, i.e. Seller shall be granted title to the new products as security to the extent that title is lost on the goods processed or otherwise used by Buyer. The provisions of this article 6 shall also apply to the new product which consists (in part) of the goods of Seller after transformation. The same shall apply to amalgamation or blending.

h) Buyer is only entitled to sell or combine the goods with other movable materials (e.g. in assembly or manufacture of a product) within the scope of its ordinary business. Buyer shall not grant third persons right or title to the goods.

i) An assignment of stock to secure claims of a third party shall not extend to the goods delivered by Seller or the products which result from a transformation of these goods.

j) In general, Buyer shall be obliged to treat goods which are subject to Seller's title with diligent care and to insure such goods against risks like fire, water damage and theft and all other risks which are customarily subject to comprehensive general liability policies. Buyer hereby assigns Seller all claims it may have against the insurance company in an insurance event to the amount of the still unpaid purchase price plus ancillary costs, accrued interest and/or expenditures, if any. Seller hereby accepts such assignation.

k) In the event of seizure or confiscation or other intervention by a third party Buyer shall notify Seller stating the third party's exact address suitable for law enforcement measures.

l) When Buyer defaults on payments which are due, Seller may in its own discretion order Buyer not to resell or transform or mix or process the goods without prior approval of Seller.

m) The reservation of title is conditional on full payment of all and any claims resulting from the overall business relationship with the customer. Seller shall be automatically obliged to release the respective securities in whole or in part accordingly.

## **7. Final Provisions**

The legal relationships between the parties are subject to German law. The application of the UN-Convention on Contracts for the International Sale of Goods as well as of similar international regulations is expressly excluded. Oral agreements before the execution of the contract shall be confirmed in writing. Place of performance for all of the parties' obligations is the seat of Seller. Place of jurisdiction for parties is Frankfurt am Main, notwithstanding Seller's right to file a complaint also at Buyer's seat. As far as the interpretation of these General Business Conditions depends on the exact wording, the German version shall be exclusively relevant. Should any of the foregoing provisions or any part thereof be or become invalid, the validity of the remaining provisions will not be affected thereby.