

1 GENERAL

The following terms of sale and delivery shall apply to the sale and delivery of any product by ETI Elektroelement D.D., Obrezija 5, 1411 Izlake, Slovenia (hereinafter referred to as "ETI") to the Buyer of electrotechnical and technical ceramic products (hereinafter referred to as the "Buyer") in the absence of contrary agreement.

2 ORDERING PROCESS

2.1 ORDER CONFIRMATION: If the Buyer has not objected to the content of an order confirmation sent by ETI within 2 working days after having received it, the content of the order confirmation, including General terms of sale of electrotechnical and technical ceramic products, is to be considered accepted by the Buyer.

2.2 CANCELLATION: Any order cancellation must be submitted to ETI's written authorisation beforehand and also confirmed by ETI. The cancellation of an order which is already in the production process will not be accepted regardless of the confirmed delivery date. All expenses incurred until the cancellation will be charged with a minimum additional amount of 10% of the order amount.

2.3 MINIMUM ORDER VALUE: Minimum order value is 6000 EUR, for deliveries below 6000 EUR, ETI has the right to charge additional administrative costs for a value of 250 EUR per delivery.

2.4 MINIMUM ORDER QUANTITY: Minimum order quantity per product is its transport packaging stated in ETI's catalogue.

3 PRICES

3.1 VALIDITY: Prices are according to Price list for the current calendar year. All prices are in EUR per 1 piece (VAT not included). Price list is valid for a period of one year or until it is recalled or negotiated between the parties. Every significant variation of prices on sourcing market can be a reason for new negotiation of prices.

4 TERMS OF PAYMENT

4.1 GENERAL: Buyer is obligated to make all payments in advance on bank account stated in the actual invoice. If ETI agrees with the payment on open account, the payment obligation arises with the day of invoice issuance and is fulfilled when ETI receives the due amount on its bank account. ETI covers the costs of its own bank only, Buyer covers the costs of Buyer's and any possible other banks. Buyer is obligated to pay the undisputed part of his obligations in due time. At each payment Buyer must deliver the ETI a list of invoices that he is settling and close his obligations according to their due dates regardless of the kind of obligation.

4.2 DELAYS IN PAYMENT: In the case of delay in payment, Buyer is obliged to pay contractual interests of 15% per year for delay from the due of payment to the day of reception of money on the bank account of the ETI within 15 days from the date of calculation. If Buyer is late with payments of delivered products, ETI has the right to block further deliveries until entire payment of previous deliveries has been settled. If any part of the obligation of invoice is objected in written form by the Buyer, Buyer is obliged to settle undisputed part of the Invoice in a due date.

4.3 PROPERTY RIGHTS AND EXTENDED PROPERTY RIGHTS: Contracting parties agree, that ETI reserves the right of ownership on the delivered products until the entire invoiced value of the products has been paid. For Germany extended right of ownership on the delivered products according to the German law comes into force.

4.4 INSURANCE FOR PAYMENT: Upon ETI's demand, Buyer is obligated to present agreed insurance instrument for insurance of payment in case of any changes in economic conditions or changes of quality of current insurance instrument. ETI is entitled to sell its receivables to the Buyer, to the Bank or other financial institution at any time.

5 TERMS OF DELIVERY

5.1 DELIVERY TIME: General delivery time is 4 to 6 weeks from the order date or as per ETI's order confirmation. Delivery time stated in ETI's order confirmation will be adhered to as far as possible. In no case ETI shall undertake any liability neither for direct nor for indirect damages for late delivery. Nor shall late delivery justify cancellation of the order by the Buyer.

5.2 INCOTERMS: Deliveries and prices are based Ex Works, unless otherwise agreed.

5.3 PACKING, MARKING, LABELING: ETI delivers the products in standard packing with the ETI brand name, which is included in the price of the products, unless otherwise agreed between the parties. The price for special packing, marking or labelling on buyer's request will be added to the invoice. In case of sales, the Buyer branded products, ETI is entitled to adjust the quantities of the Buyer's orders and send to the Buyer a reasonable quantity of products incurred as regular production surplus, even in the case of different order confirmation.

6 COMPLAINTS

No complaints or claims shall be recognised unless made in writing and received by ETI within fifteen (15) days after Buyer has received the products. Return of defective products shall be subject to the prior written approval from ETI. Return of defective products will not be accepted unless it is accompanied by a ETI's document "Claims form".

7 RETURN OF PRODUCTS

The Buyer has no right to return products, except in the case described in paragraph 6.

8 STOCK OF PRODUCTS

In case of termination of cooperation or, if the Buyer stops to buy a particular Buyer branded product, or in case that Buyer in written form announced quantities which exceeds his actual purchase during this period, ETI is entitled to send and invoice complete stock of the Buyer branded products, or products of minimum stock quantities, or forecasted products without prior notice of the Buyer.

9 TECHNICAL CHARACTERISTICS

All products are manufactured according to valid international standards (EN, IEC).

10 WARRANTIES AND LIABILITIES

ETI assumes warranties and liabilities for the products in a minimum scale as required by the German law.

11 APPLICABLE LAW, SETTLEMENT OF DISPUTES

These General terms of sale and the relevant orders shall be governed by and construed in accordance with the laws of Germany excluding its conflict of law provisions. The UNITED NATIONS CONVENTION FOR THE INTERNATIONAL SALES OF GOODS (Vienna Convention 1980) shall not be used. The Parties expressly agree that any dispute arising with respect or in connection with this Agreement, its interpretation or fulfillment shall be finally settled under the Arbitration Rules of the German Institution of Arbitration e.V. (DIS) without recourse to the ordinary court of law. The place of arbitration is Munich. The language of the arbitral proceedings is English. The award shall be final and binding upon the parties and shall be enforceable in any court having jurisdiction over the party against whom such award is issued.