

**GENERAL CONDITIONS OF PURCHASE
OF MITSUBISHI ELECTRIC EUROPE B.V.
GERMAN BRANCH**

1. General / Scope of Application

- (1) We order from you according to the following conditions of purchase.
With regard to merchants our conditions of purchase apply exclusively. We do not acknowledge any conditions of Supplier conflicting with or deviating from our conditions of purchase unless we expressly agree to their validity in writing. With regard to merchants our conditions of purchase also apply if we accept and pay the delivery of Supplier without reservations.
- (2) All arrangements made between us and Supplier for the purpose of executing this contract have to be laid down in writing in this contract.
- (3) Our conditions of purchase also apply to all future business transactions with the Supplier.

2. Order / Order Documents

- (1) The Supplier is obliged to accept our order within a period of 2 weeks.
- (2) We retain title and copyright to designs, drawings, calculations and other documents. They may not be disclosed to third parties without our express written consent. They may exclusively be used for the manufacture on the basis of our order. After the order has been carried out they have to be returned to us without being asked for. They have to be kept secret from third parties.

3. Prices / Invoices / Payment Conditions

- (1) The price stated in the order is binding. Provided that nothing else has been agreed in writing, the price contains cost-free delivery to our premises at the risk of Supplier, in case of an import, formalities have to be complied with according to DDP to our warehouse in Germany (Incoterms 2010), including packaging.
- (2) We can return the packaging at Supplier's cost, unless Supplier has joined a collecting and recycling system for packaging, which releases us from the duty to recycle, according to applicable packaging rules.
- (3) We can only handle invoices if they - according to the details in our order - refer to the order number stated. Supplier is responsible for all consequences resulting from the non-compliance with this duty.
- (4) Provided that nothing else has been agreed in writing, we will pay the purchase price within 14 days after delivery and receipt of the invoice, deducting 2 % cash discount, or within 30 days net after receipt of the invoice.
- (5) We are entitled to the full statutory rights of set-off and of retention.

4. Time of Delivery / Documents

- (1) The time of delivery (arrival time at our place of destination) stated in the order is binding.
- (2) Delivery has to be made, if not agreed otherwise in writing, to our premises at the expense and risk of Supplier; in case of delivery from abroad delivery shall be made DDP (Incoterms 2010) to our warehouse in Germany.
- (3) Supplier is obliged to state exactly our order number on all shipping documents and delivery notes. We are not responsible for any delays in handling the matter, which are inevitable due to Supplier's failure.

- (4) Supplier shall place at our disposal without undue delay and free of charge all supporting documents we require (e.g. supplier's declaration /movement certificate/declaration of conformity of the manufacturer - CE) including all required statements and properly executed.

5. Delay in Delivery

- (1) Supplier is obliged to inform us in writing immediately if any circumstances indicating that the time of delivery cannot be complied with occur or become obvious to him.
- (2) Applicable statutory law applies in case agreed delivery dates are not complied with. In case Supplier foresees that difficulties regarding the manufacturing of the goods arise or similar circumstances occur, which may hinder a timely delivery or a delivery of the goods in the agreed quality, then Supplier shall inform us without undue delay.

6. Examination of Defects

- (1) We are obliged to examine the goods with regard to a possible lack of conformity within a reasonable period of time. The notice is deemed to have been lodged in time if Supplier receives it within a period of 5 working days after the discovery of the deviation.

7. Quality and Documentation

- (1) Concerning its deliveries Supplier shall comply with the acknowledged standards of engineering, the safety regulations and the agreed technical data. Changes to the goods to be delivered are subject to our prior written consent. Supplier shall permanently control the quality of the goods delivered.
- (2) Supplier shall state in its quality records for all goods delivered when, how and by whom the checks were carried out to ensure a defect-free manufacture of the delivered goods. These records must be kept for 10 years and presented to us, if need be.

8. Warranty

- (1) If defective goods have been delivered we are entitled to claim from Supplier subsequent performance (Nacherfuellung) upon our discretion. In this case Supplier shall be obliged to bear all necessary expenses for the purpose of subsequent performance, namely the cost for dismantling/incorporation, transportation and traveling expense, labour and material cost, even if they occur at the site of our end customer.
- (2) In the event that Supplier does not start remedying the defect in urgent cases without undue delay after having been requested by us respectively, we shall have the right to remedy the lack of conformity ourselves or by a third party at the expense of Supplier, namely in case of averting an immediate danger or of avoidance of a bigger damage.
- (3) The period of limitation regarding a claim for lack of conformity is 24 months, starting from the time of putting the delivered goods into operation at the site of the end customer; however this shall not apply if the good has been utilized for a building according to its customary use and has caused the defect; however, the limitation period regarding a claim for lack of conformity shall not exceed 36 months starting from delivery by the Supplier. In the event that the delivered good is a consumable then the limitation period regarding a claim for lack of conformity shall be 24 months starting from delivery by Supplier. We are entitled to the right of redress of the final reseller according to Article 478 and 479 of the German Civil Code (BGB) and the rule of presumption of Article 476 BGB shall apply against the Supplier even if this agreement is not a contract for the supply of a consumer. Upon acceptance of the remedy the aforementioned period of limitation for the remedied performance (repaired or newly delivered good) shall start again.
- (4) Any lack of conformity, which becomes apparent within 6 months after delivery, shall be presumed to have existed at the time of delivery unless this presumption is incompatible with the nature of the goods or the nature of the lack of conformity.

9. Product Liability / Indemnity

- (1) If a product liability claim is asserted against us, Supplier agrees to hold us harmless from such claims if and to the extent the damage was caused by a defect of the supplied goods. However, in cases of liability based on fault, this only applies if the fault lies with the Supplier. If the cause of the damage falls within the sphere of responsibility of Supplier, Supplier shall have the burden of proof to that extent.
- (2) In the above cases Supplier assumes all cost and expenses, including the cost for any legal action or recall campaign.
- (3) In addition statutory law shall apply.

10. Rights of Third Parties / Intellectual Property Rights

- (1) Supplier shall be liable in case rights of third parties, namely intellectual property rights (including copyrights), are infringed by using or distributing the supplied goods.
- (2) If any third party asserts any claims against us due to this, Supplier agrees to hold us harmless from such claims.
- (3) Supplier's duty to hold us harmless shall cover all expenses necessarily arising out of or in connection with the claims asserted by a third party.
- (4) The limitation period for liability arising from warranty of title including infringement of third parties' intellectual property rights shall be 5 years.
- (5) Delivery of goods that have no defect in title and/or are free from any third party's right or claim based on intellectual property rights (including copyrights) are of the essence of this contract. Therefore Supplier shall be obligated to check the faultlessness of the good and indicate all potential intellectual property rights (including copyrights) which may be opposed to this. In case of a breach of this provision a claim shall become time-barred according to statutory law.

11. Retention of Title / Property Furnished to the Supplier / Tools

- (1) If we furnish parts to Supplier we retain title to them. Processing and transformation by Supplier are carried out for us. If our title retention goods are combined with other goods not belonging to us, the new goods shall become a joint property according to the relation of the value of our goods to the other processed goods - at the time of processing.
- (2) If the goods furnished by us are combined inseparably with other goods not belonging to us, the new goods shall become our property according to the relation of the value of the title retention goods to the other combined goods at the time of combination. If they are combined in such a way that the Supplier's goods have to be regarded as the main component, it is deemed to be agreed that the Supplier transfers the proportionate joint property to us. Supplier keeps the goods, which are subject to our sole or joint property in custody for us.
- (3) We retain property to tools. Supplier is obliged to use the tools exclusively for the manufacture of the goods ordered by us. Furthermore he is obliged to carry out at his own expense maintenance and inspection work, which might be necessary. He has to notify possible malfunctions immediately to us. If he fails to do this, damage claims remain unaffected.
- (4) Supplier is obliged to insure the items provided by us or the tools belonging to us at their value when new and at his own expense against damages caused by fire, water and theft.

12. Secrecy

- (1) Supplier shall keep confidential with regard to third parties all business or technical information (including e.g. features learned from movable objects, documents or software handed over and any other information or experiences disclosed by us) made accessible by us to Supplier, as long as and to the extent such information has not become part of the public domain, which shall be demonstrated. Such information may only be made available at Supplier's premises to persons who need to make use of the information for the purpose of supplying the goods to us and who are also committed to maintain secrecy.
- (2) Without our prior written approval, such information shall not be copied or exploited commercially, except for the delivery of the goods to us.

- (3) Upon our request all information originating from us (including any copies or recordings made if need be) and objects we lend shall immediately be returned to us completely or destroyed upon our request.
- (4) We reserve all rights to such information (including copyrights and the right to apply for registration of industrial property rights such as patents and utility models, etc.). In the event that such information is provided to us by third parties, the reservation of rights shall also be applicable to these third parties.
- (5) The duty to observe secrecy survives the implementation of this contract. It will expire if and insofar as the manufacturing data contained in the designs, drawings, calculations and other documents furnished have become part of the public domain.

13. Recording of Supplier Data

Our accounts are kept with the help of an electronic data processing system. In this connection we store business-related supplier data.

14. Choice of Law / Place of Jurisdiction / Place of Performance

- (1) The contractual relationships shall be governed exclusively by German law,
- (2) If Supplier is a merchant the place of jurisdiction shall be our place of business in Ratingen, Germany. However, we shall also be entitled to have recourse to the competent courts at the Supplier's place of business.
- (3) Place of performance shall be our place of business in Germany, if not stipulated otherwise in the order.

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