

General Terms and Conditions of Delivery of TQ-Group for Avionic Products (especially for radio transceiver and transponder)

for the firms TQ-Systems GmbH, TQ-Systems Durach GmbH,
TQ-Systems International GmbH & Co.KG and TQ-Systems Shanghai Co., Ltd

§ 1

General Terms – Scope of Application

1. Our Terms and Conditions of Delivery apply exclusively; we do not recognize any conditions of the Customer that are in conflict with, diverge from or are supplementary to our Terms and Conditions of Delivery, unless we have expressly agreed to their validity in writing. Our Terms and Conditions of Delivery shall also apply if we, having knowledge of any conditions of the Customer that are in conflict with, diverge from or are supplementary to our Terms and Conditions of Delivery, perform the delivery to the Customer without reservation
2. All agreements made between us and the Customer must be set down in writing. Individual agreements shall in all cases precede these General Terms and Conditions.
3. Our Terms and Conditions of Delivery only apply to companies or public corporate bodies or public separate estates and consumers within the meaning of § 310 Subsec. 1 BGB (German Civil Code). Consumer within the meaning of the law is each naturally person who concludes a legal transaction for a purpose which cannot be attributed to its commercial or independent professional activity.

§ 2

Conclusion of Contract

1. Our offers are not binding. Sales only while stock lasts.
2. Upon ordering a product, the Customer is bound according to § 145 BGB. We are entitled to accept the contract offer made by means of the order within a period of four weeks from its receipt. Acceptance is exclusively made by written confirmation of the order.
3. If the order is given by electronic means, we will immediately confirm the receipt of the order. The confirmation of receipt, however, is not a binding acceptance of the order. The confirmation of receipt can also be combined with the confirmation of acceptance. We reserve the right to change orders at any time.
4. Order are always to be confirmed by us and contain defined product quantities, lot sizes and delivery dates in each case. Increases of calls to orders confirmed by us beyond the confirmed order quantity shall require our express written consent.
5. The contract with the Customer is concluded subject to the reservation of the receipt of correct and timely deliveries from our suppliers. The effectiveness of the reservation of receipt of deliveries depends on the conclusion of a congruent legal transaction with the supplier and on the fact that we are not responsible for the failure to deliver. The Customer shall be immediately informed about the non-availability of the services or deliveries. As far as consideration has already been paid, it will be immediately refunded by us.

§ 3

Delivery and time of Delivery

1. Our specifications with regard to dimensions, weight, services and material are given carefully but without commitment, unless such specifications are expressly marked as binding. The same applies to all design information and suggestions. We reserve modifications due to technical development as well as due to form, color and weight.
2. The execution of the authorized final acceptance test, as well as the issue of an EASA Form 1, is part of the delivery item as far as this is permitted by law. Changes to the delivery item with effect on EASA Form 1 and without prior consultation are made at the sole risk and responsibility of the Customer. The Customer is obligated to hold us harmless from and against all claims and damages, regardless of the legal basis.
3. Unless otherwise stated in the confirmation of the order, all deliveries within the European Union are made carriage free (Incoterms 2010, CPT) and within third countries delivered at named place (Incoterms 2010, DAP). At request of the Customer delivery to Customer's UPS point is also possible.
4. If a time for the performance of the order has been indicated by us or agreed on with the Customer, that time shall start upon our confirmation of the order, but not before the receipt of all documents, permits, releases or other information to be obtained by the Customer for the handling of the order, in particular not before all technical questions have been clarified.
5. As far as we are prevented from performing the contract in time due to special circumstances, such as lack of energy, interruption of traffic, strikes, lock-outs, unforeseen technical problems or other procurement, manufacturing or delivery disorders that are beyond our control and that provably have a considerable effect on the fulfillment of our duty to perform, the time of delivery for the performance of the order shall be extended by the respective period from the occurrence to the elimination of the impediment

§ 4

Prices and Terms of Payment

1. Unless otherwise agreed, the applicable price is the price on the date of conclusion of the Contract.
2. The statutory value-added tax is not included in our prices; it is separately stated to the legal amount on the day of invoicing.
3. We are entitled to adjust the prices fixing or establish new price scales at the end of each calendar months.
4. Payment is to be made in advance without granting discount insofar as no deviating payment terms are agreed between the parties. If the Customer gets in default with its payments, we are entitled to claim default interest at a rate of 8 % above the respective basic interest rate. This shall be without prejudice to the assertion of further default damages.
5. The current price list as well as the rebates specified in this shall apply. The amount of the rebates is determined by the binding quantity ordered by the Customer. We reserve the right to an annual review and reevaluating of the prices.
6. The Customer shall only be entitled to offset if its counterclaims have become res judicata, are undisputed or have been recognized by us. Moreover, the Customer shall only be entitled to exercise a right of retention as far as its counterclaim is based on the same contractual relationship; beyond this, any rights of retention against us - under whatever legal relationship - are excluded in the commercial intercourse. The Customer's rights can only be assigned with our written consent.

§ 5

Warranty and liability

1. Our warranty and liability is based on legal provisions, provided nothing else has been agreed.
2. Delivery items may differ from product illustrations, especially in regard with color and weight. Such differences do not constitute a defect of quality which is relevant for warranty claims.
3. The Customer's warranty rights are subject to the fact that the Customer has properly fulfilled its obligations of examination and notification of defects under § 377 HGB (Commercial Code).

Inasmuch as the Customer is a consumer, the delivery will be considered as approved if written notice of defects is not received within a period of ten (10) working days after arrival of the goods. If the defect was not noticeable in an ordinary inspection the period is extended to four (4) weeks.

If the claim for defects is not files in good times, warranty shall be excluded.
4. Our warranty obligation to the Customer ends 27 (in words: twenty-seven) months after delivery to the Customer or 24 (in words: twenty-four) months after delivery to the end customer, whichever period expires first. The warranty obligation for claims for subsequent performance, replacement deliveries or replacement performance after a substitute performance, replacement delivery or replacement performance exist within the scope of the remaining period of the warranty term as stated above.
5. The warranty period expires prematurely, however, if repair attempts or other modifications are made to the contractual objects by the Customer or agents it has commissioned without the prior agreement.
6. Our liability for damages attributable to it or its agents is, in cases of gross negligence or damage with negligence, an obligation that is significant for achieving the purpose of the contract and is financially and materially limited to the business and product liability insurance cover concluded. Any further liability is excluded.

§ 6

Passing of the Risk

1. Unless otherwise agreed in writing, the risk of accidental loss and of accidental deterioration of the goods shall pass to the customer upon delivery or, if shipment is requested, upon handing the goods over to the forwarder, the carrier or the other person or entity entrusted with the transport or with discharging the goods at the named place.
2. If the Customer gets into default in acceptance or if it violates any other duties to co-operate, we shall be entitled to claim the damage incurred by us, including additional expenses, if any. In such case, the risk of accidental loss and of accidental deterioration of the goods shall pass to the customer at the moment it gets into default in acceptance.

§ 6

Reservation of Title

1. We reserve our title to the object of delivery until the receipt of all payments under the business relationship with the Customer. In case of a behavior of the Customer in breach of the contract, in particular in case of default in payment, we shall be entitled to take the object of delivery back. The taking back of the object of delivery by us does not constitute a rescission of the contract, unless this is expressly declared on our part. An attachment of the object of delivery by us, however, constitutes a rescission of the contract in any case. After taking back the object of delivery, we shall be entitled to realize it; the realization proceeds less reasonable costs of realization shall be offset against the Customer's liabilities.

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2. The Customer is obliged to treat the object of delivery with care.
3. In case of attachment or any other intervention by a third party, the Customer must inform us immediately in writing so that we can bring an action according to § 771 ZPO (Code of Civil Procedure). As far as the third party is not able to refund to us the judicial and extra-judicial costs of an action under § 771 ZPO, the Customer shall be liable for the loss incurred by us.
4. The Customer is entitled to resell the object of delivery within the regular course of business. However, the Customer already now assigns to us all claims to the amount of the final amount of invoice (including value-added tax) accruing against its customers or third parties from the resale, irrespective of whether the object of delivery is resold without or after further processing.

§ 8 Right of Revocation

1. The Customer is entitled to a statutory right of revocation.
2. **Right of Revocation:**
Consumers may revoke the Contract within a period of two weeks upon receipt of this right of revocation.
The revocation shall be addressed by letter, fax or email to:

TQ-Systems GmbH
Gut Delling, Mülhstraße 2
82229 Seefeld
Phone: +49 8153 9308-660
Fax: +49 8153 9308-7660
mailto: info.dittel@tq-group.com

The timely dispatch of the revocation shall be deemed sufficient for compliance with revocation term.

3. **Consequences of Revocation:**
In the event that the revocation was declared in due form and time, all mutually received services (payments/ goods) shall be returned immediately, but not later than 14 day after receipt of the revocation. We are entitled to refuse the refund as long as we have not received the goods.

If no contact person has been separately named, the authorized representative of the Customer indicated in the order shall be regarded as the contact person according to Item 1 above.

§ 9

Place of Jurisdiction and applicable Law

1. The contractual relationship with the Customer is governed by the law of the Federal Republic of Germany under exclusion of the UN Convention (CISG)
2. If the Customer is a merchant, public corporate bodies or public separate estates entered in the commercial register, Munich (LG Munich I) is agreed as the sole place of jurisdiction. The aforementioned shall also apply for Consumers, provided a different place of jurisdiction has not been mandatorily specified by law.

§ 10

General Provisions

If any provision of this agreement should be or become invalid or unenforceable, this shall not affect the effectiveness of the remaining provisions in accordance with § 306 BGB.

Verbal collateral agreements do not exist.