

Standard Terms and Conditions of Hectronic GmbH

1. General Terms, Scope of Application

1) Our Standard Terms and Conditions (hereinafter "Terms") shall apply exclusively to all kinds of contracts. Unless we expressly agree otherwise in writing, we reject any standard terms and conditions which are issued by the Customer and contrary to or inconsistent with our Terms. Our Terms shall apply even if we make delivery to Customer without any reservations and with the knowledge of the Customer's own derogating terms.

2) Any agreements which we reach with the Customer relating to the performance of this contract shall be incorporated in writing into this Agreement. Any waiver of this requirement of the written form shall only be valid if agreed in writing.

3) Our Terms govern all future business relations with the Customer.

2. Acceptance of Orders, Right of Repudiation

1) Should an order be deemed an offer within the meaning of § 145 of the German Civil Code ("BGB"), we reserve the right to accept this offer within four weeks.

2) If our own delivery to the Customer is dependent on a supplier, we reserve the right to avoid the contract without incurring any damage claim liability toward the Customer, provided that our suppliers, despite a reasonable procurement of substitute performance, have failed to supply us for more than an interim period and we have made all reasonable efforts to make delivery possible. This does not apply where our delivery never occurs due to circumstances for which we are responsible.

3) Where the Customer makes false statements of fact regarding its creditworthiness, and these statements endanger our claim to payment, we may cancel the contract or claim compensation for non-performance. In the event payment is halted or a petition for insolvency proceedings is filed or other significant assets deteriorate, we may demand early payment from the Customer.

4) If we provide performance specifications and processing schedules on or an underlying contract concerning items of delivery, then these specifications or contract shall relate only to those of our products which are the subject matter of this contract and shall not relate to the processing time and impact of other devices (or similar products) which are used in conjunction with our products.

5) Pictures, drawings as well as weight, mass, and performance data provided in orders and order documents may deviate from customary business practice, unless such materials are required as expressly designated in writing.

6) We retain the proprietary rights in all pictures, sketches, calculations, other documents and materials, data and data carriers. These materials may not be disclosed to third parties. This rule shall apply in particular to written materials expressly marked as confidential. The Customer may make no disclosures to third parties without our prior written consent. The aforementioned materials shall be returned to us upon demand in the event we do not receive the order.

3. Price and Payment Terms

1) The price offered is ex works. The price reflects the final invoice amount based upon the costs of materials, energy and labor in effect at the time the order is placed. If the items ordered are to be delivered more than four months after the conclusion of the contract and these costs have since changed, then the price will be adjusted on a percentage basis.

2) All prices relate to the relevant order only, and will have no application to past or future orders.

3) The shipping costs, customs duties, fees or charges, import and export duties shall be borne by the Customer. The costs of installing equipment or devices will be calculated for the Customer according to our terms for service applicable at that time.

4) Our prices do not include value added tax ("VAT"). The VAT which is legally in effect on the invoice date will be added and separately itemized on the invoice.

5) Our invoices are payable in cash and without deductions within 30 days of the invoice date.

6) Should an advance payment be subject to value added tax (VAT) under the applicable statutory provisions, then the value added tax on this advance payment is to be paid together with such advance payment.

7) Should the Customer default on its payments, we may demand interest at a rate of 4.5% p.a. above the then-current discount rate posted by the European Central Bank. Should we incur interest at a higher rate, we reserve the right to claim therefore. The Customer has the right, however, to prove to us that the payment default caused no losses or significantly lower losses.

8) Payment by check or draft (bill of exchange) is subject to our prior consent and will be accepted only upon full payment. The Customer shall at all times bear the costs of bank, discount, and exchange expenses, as well as any other costs, plus turnover tax. If it can be shown that a bill of exchange cannot be discounted, or it is not honored, then the purchase price must be paid within 8 days of the Customer request.

9) The Customer has the right to set-off, provided that its counter-claims are undisputed, reduced to final judgment, and recognized by us.

4. Time of Delivery

1) If a delivery period for delivery is stipulated, this period shall commence on the date the order is confirmed, but not before the technical performance of the contract items has been fully clarified. Where all the supporting documents and declarations required to be provided by the Customer have not been received on time, and/or if the Customer has failed to comply with any of its other duties, the delivery period will be reasonably extended. Sentences 1 and 2 of this paragraph shall apply accordingly to the installation periods. However, an installation period shall begin at the earliest when the devices and/or equipment to be set aside or installed by the Customer have been made available without defect or have been properly installed, as the case may be, and when the Customer has duly met any other installation requirements which it is compelled to fulfill at its own costs under the terms of the contract.

2) The delivery of the delivery items shall take place at the time and place specified in the purchase agreement. The deadline for delivery will be met if the risk has passed by that time in accordance with § 5 hereof.

3) The performance of our delivery duties is conditioned upon the timely and proper discharge of the Customer's obligations, particularly in respect of any materials or services to be provided by the Customer.

4) If our delivery is delayed for reasons which are not our responsibility and we are unable to successfully remedy the situation after having been provided a reasonable grace period (with the threat of rejection), then the Customer may cancel the contract. The Customer may claim damages arising from a breach of contract in an amount which was reasonably foreseeable only if the breach is intentional or is the result of gross negligence. In any case, damage liability shall be limited to typical and foreseeable damages.

5) The limitations on liability set forth in paragraph 4 hereof do not apply if the parties have agreed as merchants that the transaction would occur on a specified date or within a specified period of time. The aforementioned shall also apply should the Customer claim that its interests can no longer be realized as a result of the delay for which we were responsible.

6) We may claim compensation for any losses suffered by us, whether directly or indirectly, as a result of the Customer's default in accepting our performance or its breach in fulfilling its other duties of cooperation. In this case, the risk of accidental loss or accidental deterioration with respect to the property sold shall pass to the Customer as of the time the Customer defaulted in its acceptance of our performance.

7) If the delivery is dependent upon our own supply, then we shall not be liable for any breach (delay) as long as the delay is caused by an upstream supplier, unless the supplying delay is based on grounds for which we are responsible under these Terms. The Customer is, however, entitled to cancel the contract in the last-mentioned case.

8) Partial deliveries are permissible unless, in view of the use expressly agreed upon in the contract, they are unreasonable to the Customer. Separate invoices will be issued for these partial deliveries, which are payable pursuant to § 3 of these Terms.

9) In the event circumstances arise for which we are not responsible and which render our performance more difficult or impossible or cause delay in performance, we may suspend delivery or partial delivery for the period of the delay or avoid the contract in whole or in part. Circumstances for which we are not responsible include, but are not limited to, governmental intervention, disruptions caused by political or economic factors, a shortage of necessary raw (or other) materials, delays in transport caused by traffic, and unavoidable events at our suppliers or in other companies upon which the continued operation of our business is dependent. In important cases, we will immediately notify the Customer about the commencement and cessation of such hindrances. Should a duty which would otherwise have been fulfilled become impossible due to such a circumstance, we will be released from that obligation and any other obligations attaching to it.

5. Passing of Risk; Shipment

1) Unless stated otherwise in the order of confirmation, delivery is understood as 'ex works' (Incoterms® 2010) - that is, from our warehouse. The risk of accidental loss or deterioration passes to the Customer when the goods are handed over to a carrier or some other person responsible for the forwarding of goods. If shipment is delayed due to circumstances for which we are not responsible, the risk will be deemed to have passed on the day on which the goods are ready for shipment. This also applies with respect to partial deliveries, or where we have assumed other obligations in addition to shipment (e.g. installation). The Customer shall bear the costs for any express delivery requested.

2) Where no special agreement has been made regarding the mode of shipment, the goods will be shipped in a manner which we deem to be the most favorable. We do not, however, thereby warrant that this mode will be the safest, most favorable, and most expedient means of transportation.

3) Should the goods be delivered to another Member State of the European Union (EU), the Customer is obliged to identify its industry class and to provide us with its VAT-number, pursuant to which the delivery is to be transacted. The same duty with respect to States which become subject to the rules governing this provision.

4) If the Customer wishes, we will include the transport of the goods in our transport insurance coverage. The costs thereby incurred for such insurance shall be borne by the Customer. Should any damages arise, we will concurrently assign the insurance claims to the Customer, as soon as the latter has performed its duties under the contract and reimbursed us the costs of the insurance premium.

6. Cancellation by Hectronic GmbH

1) In the event unforeseen circumstances arise for which we are not responsible within the meaning of § 4 paragraph 9, and such circumstances lead to lasting and material changes in the nature of the performance due under the contract, then the contract shall be reasonably amended in accordance with the interests of both parties and the contract's original purpose. If the purpose of the contract cannot be attained through such an amendment, then we may, in whole or in part, cancel the contract. Should we elect to exercise the right of cancellation, then we must inform the Customer as soon as possible. Our liability for any damages claims raised by the Customer on the basis of an amendment to the contract or our cancellation under the preceding provision shall be governed by § 8 of these Terms.

2) If the shipment of the goods is delayed due to circumstances for which the Customer is responsible, or the Customer refuses to take a delivery in breach of its contractual duties, then we may cancel the contract after the expiry of a 14-day grace period in which with no compliance occur. As soon as we become entitled to cancel the contract, we may demand reimbursement of the storage costs from the Customer. After the expiry of this grace period without compliance, we may elect, instead of cancelling the contract, to dispose of the goods in some other manner, and to grant the Customer a reasonable grace period extension. The right to enforce default interest claims remains unaffected thereby.

7. Product Warranty

We exclusively guarantee liability for material and right defects after the following settlements:

1) The Customer may assert its warranty claims only if it has duly fulfilled its duties to inspect the goods and object to defects or improper delivery pursuant to §§ 377 and 378 of the German Commercial Code ("HGB"). The Customer is thereby obliged immediately following receipt of the goods to inspect all delivered parts for completeness, accuracy and defects, and to immediately report and detail in writing any objections within no more than one calendar week following receipt of the goods.

2) If the goods contain defects for which we are responsible, we may at our option either remedy the defect or make substitute delivery. This also applies to a case of non-compliance with a guarantee. By returning to us the goods on which a complaint was lodged (hereinafter "non-conforming goods"), the Customer shall provide us with an opportunity to examine and to cure the causes for the complaint or to make a substitute delivery.

3) In the event we are unwilling or unable to remedy the defect or provide substitute delivery, or such measures are delayed for an unreasonable period of time due to reasons for which we are not responsible, or the effort to remedy the defect or provide substitute delivery fails, despite at least two attempts for which a reasonable opportunity and amount of time has been allowed, the Customer may at its discretion cancel the contract or claim a reduction in the purchase price.

4) Subject to the provisions stated below, the Customer waives all other claims based on whatever cause of action. Thus, we shall not be liable for damage beyond that caused to the goods themselves. In particular, we shall incur no liability for lost profits or other property damage suffered by the Customer.

5) The aforementioned disclaimer (para. 4) will not apply where the damage was caused by intentional conduct or gross negligence. In addition, the disclaimer will not apply where the Customer may claim damages under BGB §§ 463 and 480 (2) because the goods failed to conform with the contract.

6) We shall acquire title to any goods or parts which we have replaced. At least until the warranty period on the original performance has lapsed, we shall be liable for any defects which arise from the remedy performance (improvement or substitution) in accordance with the warranty terms set forth herein.

7) With the exception of the products listed below, the warranty is valid for a period of 24 months from the date of the transfer of risk in accordance with section 5. The warranty is also limited to the replacement of materials.

The warranty is valid for 12 months for the following products:

a) Mechanically, thermally or meteorologically affected components (wear parts). These include card readers, pinpads, printers, BNAs, solar panels, coin validators, heating elements etc.

b) Communication and IT products. These include commercial PCs and PC components such as modems, routers etc.

c) Consumables. This category includes products such as receipt paper or cleaning cards. The warranty obligation expires for these products as soon as the packaging has been opened and/or the product has been used.

The warranty is valid for 6 months for the following products:

d) Replacement parts and repairs

e) at used exchange parts for valid series products 6 months after passing of risk (§ 5).

f) Repairs of electronic parts will be carried out only on request, the guarantee is limited to the replacement of the material and a running time of 6 month after passing of risk (§ 5).

8) No objections may be lodged against any changes in construction, design, or assembly related to the production of the goods which the manufacturer undertook before the goods were shipped, unless these construction or design changes render the goods useless for the Customer.

9) The Customer shall have no warranty claims where it or a third party incorporates into the goods parts which were not supplied by us so that it became impossible to trace the cause of the defect. We shall recognize and acknowledge the Customer's warranty claims only if the defect was not caused by the aforementioned changes. The warranty will likewise expire if the Customer fails to comply with the maintenance rules or operational instructions concerning the goods and the defect can be attributed to such non-compliance. The same will apply if the Customer causes the damages, mishandles or misuses the product or product part. Finally, the warranty expires if the defect is caused by the Customer or a third party manipulating the goods. Furthermore our guarantee is excluded, if a third party doesn't use the delivered coin testing equipment or others automates by the allowed means of payment but illegal and not as agreed, for example with coins in strange currency or counterfeit money.

10) The customer is also not entitled to a guarantee if an electronic element of the supplied item is repaired by the customer or, by a third party and/or if new, genuine original Hectronic replacement parts are not installed. This regulation is a special regulation to the preceding Section 7, Section 9 clauses 1 and 2 prior.

11) We are not liable for expenditure of the customer for man-hours and time for travelling during the guarantee.

8. Liability

1) Damage claims based in particular on delay in delivery, impossibility of performance, breach of contract, tort and cancellation under § 6 para. 1 are hereby waived to the extent that the damage was not caused by intentional or grossly negligent acts. We shall otherwise only be liable for breach of any obligation the fulfillment of which is of crucial importance for fulfillment of the purpose of the contract (cardinal duty). In this case, our liability shall be limited to the loss or damage which could be typically foreseen in the case of a contract of the kind in question. We shall have no liability for atypical or unforeseeable loss or damage.

2) Notwithstanding the foregoing paragraph 1, we shall remain liable for any breach with respect to qualities which have been expressly warranted. We shall be liable for any damages which the defect causes to property other than the good itself only if the parties intended that the warranty protect the Customer from exactly those types of damages. We will be liable for slight negligence where we breach a duty which is material for achieving the purpose of the contract (material duty). In this event, our liability will be limited to such damages which would typically arise in the context of this contract. We shall not be liable for extraordinary or unforeseeable damages.

3) The foregoing exclusions of liability pursuant to paragraphs 1 and 2 hereof shall not apply to claims brought under the German Product Liability Act nor in the case of our initial impossibility of performance or impossibility of performance for which we are responsible.

4) For damages arising in connection with the use of electronic modes of payment (e.g. magnetic and chip cards), we shall assume liability only to the extent to which we are responsible for such damages. In particular, we shall not assume any liability for the manipulation or modifications to the electronic modes of payment themselves, or of the machines on which the electronic modes of payment are used (e.g. tank or parking ticket automates). Apart from this, previously mentioned § 7 Chapt. 10 is roughly valid. Similarly, we shall not assume any liability for errors made in the transmission of transaction data to financial institutions.

5) For damages arising in connection with coin-operated machines, we shall assume liability only to the extent we are responsible for such damages. In particular, we shall assume no liability for losses resulting from a third party manipulating such machines (e.g. by dirtying and pouring in liquids, or introducing foreign objects into the machines, etc.). We shall also assume no liability for damages caused by a third party using counterfeit or foreign currency.

6) The foregoing exclusion of liability provision contained in paragraphs 5 and 6 above shall not apply to damages arising from our willful conduct or gross negligence of Hectronic GmbH. In all other respects, the exclusions of liability pursuant to paragraphs 1 and 2 shall also apply to the provisions of paragraphs 5 and 6.

7) The disclaimers or limitations on our liability pursuant to these Terms also cover the personal liability of our employees, staff members, workers, representatives and other persons we retain to perform our obligations.

8) Our liability isn't excluded at culpable injury of life, body and health.

9. Retention of Title

1) We shall retain title in the items of delivery and also and in particular in the data ("Retained Goods") until all claims arising in the on-going business relationship have been discharged. This applies specifically to the settlement of relevant accounts receivable which we, on whatever grounds, have against the Customer. This also applies where payments are made on specially designated claims.

2) Should our ownership in the Retained Goods extinguish because it is incorporated into or commingled with other property, then the Customer agrees to hereby assign to us its proprietary rights in the new item or property in an amount equal to the value attributed to the Retained Goods in our invoice. This assignment will become void when the claim which was secured by the retention of title has been paid in full.

3) The Customer is responsible for the safe and proper storage of the items owned or partly owned by us and shall, at its own cost, insure them against theft, fire, and other damage to the extent such insurance is customary in this type of business.

4) The Customer's claims or receivable arising from the resale of the Retained Goods are hereby assigned to us. These claims shall serve as security to the same extent as the Retained Goods. Should the Customer sell the Retained Goods together with goods which were not delivered by us, then the assignment of the receivable arising from resale only applies in an amount equal to the price of the relevant Retained Good sold as set forth in our invoice. With respect to the sale of goods in which we have co-ownership rights pursuant to paragraph 2, the assignment of the receivables arising from resale applies in an amount corresponding to our share of ownership. In this case, the portion of the receivables which has not been assigned to us will be initially repaid by the third party debtor to the Customer. Should the Retained Goods be used by the Customer to fulfill a contract for work and services or a contract for work and materials, then this paragraph shall apply accordingly to the receivables arising from such contract.

5) The Customer shall have the right to collect the receivables arising from resale until we revoke such right. We may revoke this right of collection at any time. We will revoke this right if we deem that our claim is at risk or the Customer has breached its duties towards us. Under these conditions, we may also demand that the Retained Goods be returned to us. A right of retention cannot apply to This claim for the return of the Retained Goods is not subject to any withholding rights. The Customer hereby declares its agreement to permit persons commissioned by us to collect the goods for this purpose to enter the grounds upon which the goods are being kept. The enforcement of the claim for the return of the goods and the seizure of goods which are wholly or partly owned by us shall not constitute a cancellation of the contract.

6) In no case may the Customer assign accounts receivable arising from the resale of the Retained Goods. Upon our demand, the Customer shall immediately advise its customers of the assignment to us - to the extent to which we do not do so ourselves - and to provide us with the information and supporting documents necessary for collection.

7) The Customer may neither pledge nor assign the items of delivery to secure a debt. The Customer must immediately advise us if any third party should obtain an interest in the items of delivery.

8) Should the value of the existing security exceed the total value of the secured receivables by more than 10%, then, upon demand of the Customer, we are obliged to release security of our choice in that amount.

10. Patents and other Industrial Property Rights

1) Should any third party enforce against the Customer a claim based on the infringement of industrial property rights - including, but not limited to - patents, trademarks and registered or protected designs - with respect to the delivered products, the Customer must inform us about this immediately. We may then, at our own expense, assume control of all negotiations in relation to the industrial property rights infringement, including any legal proceedings. The Customer has no right to claim damages based on infringement Of any of the aforesaid industrial property rights.

2) Should the execution of an order pursuant to the Customer's specifications and instructions infringe a third party's industrial property rights, then the Customer shall assume liability for any damages arising therefrom. The Customer agrees to indemnify us for any third party claims in this respect.

11. Repair/Serviceing

1) The Customer shall make all arrangements necessary to permit timely commencement and expedient performance of repairs and servicing work. The Customer shall have sole responsibility for obtaining any official permits needed for the performance of repair or servicing work.

2) Our prices for repair and servicing work shall be as stated in our relevant offers.

3) All servicing work shall be subject to these Standard Terms and Conditions, and in particular to the provisions relating to warranty and liability.

12. Assignment, Official Permits, Data Protection

1) The Customer may not assign any claims it may have against us to any third party without our prior written consent.

2) Insofar as the Customer intends to export any goods supplied by us, the Customer itself shall have sole responsibility for obtaining any official permits required for export.

3) The Customer consents to the use and processing of the Customer's data to the extent necessary for the performance of contract

13. Place of Performance, Legal Venue, Applicable Law

1) The place of performance shall be the registered domicile of HECTRONIC GmbH. The legal venue shall, at our choosing, be the court having jurisdiction for the registered domicile of HECTRONIC GmbH or of the Customer. The language of contract shall be German.

2) This contract and all legal and business relations arising therefrom shall be governed exclusively by the law of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.

3) Should any or any part of these Standard Terms and Conditions or any provision of any agreement made pursuant thereto be or become invalid, the remaining provisions shall nevertheless remain in full force and effect. In any such case, the contracting parties agree to replace the invalid provision by one whose economic effect most nearly corresponds to that originally intended.

1st January 2011