**GENERAL CONDITIONS ON SALE AND DELIVERY**
(in Accordance with the Recommendations of the Electrotechnical Industry)**I Extent of Deliveries or Services**

1. With regard to the extent of deliveries or services, mutual declarations in writing shall be decisive. If a contract was made in the absence of such declarations, either the supplier's order confirmation in writing shall be decisive, or if this latter one does not exist, the orderer's purchase order in writing shall apply.
2. Protection devices shall be included in deliveries as far as this has been expressly agreed in writing.
3. All deliveries or services are subject to the regulations of the Association of German Electrotechnical Engineers, as far as they apply to the security of the deliveries or services. Deviations are permissible provided that the same security is provided in another way.
4. The supplier reserves the unlimited property and copy rights on cost estimates, drawings, blueprints and other documentation. They may not be made accessible to third parties. The aforementioned documentation is to be returned to the supplier upon request.
5. Additional agreements regarding the extent of deliveries require the supplier's consent in writing.

II Prices

The prices comprise the object of delivery, in addition to set-up or mounting. Prices are ex works, packing excluded.

III Reservation of Title

The objects of the deliveries shall remain the supplier's property until all claims resulting from the business relation he is entitled to against the orderer have been satisfied. During the existence of the reservation of title the orderer shall neither be allowed to proceed to a pledge nor to an assignment of security, and he shall proceed to a resale only in the course of usual business and upon the condition that the reseller receives payment from his customers. Any cost for eventual interventions will be borne by the orderer.

IV Terms of Payment

1. Payments are to be made without deduction, franco domicile.
2. The orderer may make off-sets only to claims which are not disputed or legally effective.

V Delivery Terms

1. The delivery terms commence with the written consent upon the order between orderer and supplier. The observance of delivery terms requires in timely fashion the receipt of all documents, required permissions, releases and plans which are to be delivered by the orderer as well as the observance of the payment conditions and other obligations. In the event of non-observance, delays shall be reasonably extended.
 2. A delay shall be considered observed:
 - a.) Upon delivery without set-up or mounting, if the delivery was transferred for shipment or picked up within the period which was agreed upon. If the delivery is delayed for reasons the liability of which the orderer must assume, the delay shall be considered observed in the event that a notice of readiness for shipment was given within the delay which was agreed;
 - b.) Upon delivery including set-up or mounting, as soon as these have been performed within the delay which was agreed;
 - 3) If the non-observance of the delays results from reasons which the supplier must not assume liability of (e.g. war, uproar, strike, lock-out), the delay shall be reasonably extended. In the event of a non-observance of the delay for reasons other than listed in item 3), para. 1, the orderer, for him to provide such evidence, may claim an indemnification for the delay to a maximum of 0,5 % per week of delay, i.e. to an overall amount of as much as 5 (five) per cent of the value of the part of delivery or of the performance which could not be made to fit the purposes of the operation as a result of non-complement of single objects or those belonging to it.

The orderer shall also be entitled to claim the payment of indemnification if the conditions which are outlined in item 3), para. 1 take effect only following a faulty excess of the delivery time which was initially agreed. Further claims for indemnity in all cases of late delivery are excluded, also upon expiration of an extension of delay granted to the supplier, to the exception of those which result from intentional or gross negligence on the side of the supplier. The right of the

orderer to rescind the contract shall be maintained as far as the supplier is to be held liable for the delay.

4. In the event that the orderer requests a delay of shipment or of delivery, the orderer may be charged, after 1 (one) month following the notice of readiness for delivery, storage fees for each commenced month of as much as 0,5 per cent of the invoice amount, which is however limited to a maximum of 5 (five) per cent, unless higher storage fees are proved.

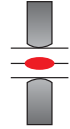
VI Transfer of Perils

The perils will be transferred to the orderer, even if „freight prepaid“ was agreed:

- a) Upon delivery not including set-up or mounting, if the delivery ready-for-operation was either transferred for shipment or picked up. Packing is made with utmost care. Shipment is made to the best of the supplier's judgment. Upon the orderer's request and at his expenses, the delivery will be insured by the supplier against risks of damage by breakage, transport damage and fire damage.
- b) Upon delivery including set-up or mounting upon the day of receipt in the orderer's own operation, provided that the receipt in the own operation concludes immediately to the set-up or mounting ready-for-operation. If the receipt is delayed by more than 14 (fourteen) days, the perils which result from the delay shall be transferred to the orderer.
- c) If the shipment, the delivery, the beginning or the performance of the set-up or mounting is delayed upon the orderer's request or at his liability, the perils shall be transferred to the orderer for the time during which the delay lasts. However upon request and at the cost of the orderer, the supplier shall effect the insurance desired.

VII Set-Up or Mounting

- A) For each type of set-up or mounting, the following provisions shall apply:
 1. The orderer shall bear the cost of the following and provide in timely fashion:
 - a) Auxiliary teams such as subworkers and if required, in good numbers, bricklayers, carpenters, locksmiths, crane operators and other skilled workers, each of whom disposing of the tools they need.
 2. All work with regard to earth, bedding, construction, knocking, scaffolding, plastering, painting and other side work which is not related to the construction trade, including the construction material needed.
 3. The equipment and material needed for mounting and putting into operation such as elm wood, wedges, paddings, cement, plastering and sealing, lubricants, fuels, etc. in addition to scaffolds, lifting tools and other devices.
 4. Power supply and water incl. the connectors to the place of use, heating and general lighting.
 5. At the mounting site a sufficient number of rooms which can be locked and which are big and dry enough for the maintenance of machine parts, devices, tools, etc., and for the mounting personnel working and staff rooms which include sanitary installations appropriate to construction site conditions. In addition, the orderer shall take those measures in order to protect the contractor's and the mounting personnel's property on the construction site which he would take in order to protect his own property.
 6. Protective clothing and devices which are needed as a result of special circumstances which emanate from the mounting site and are not of contractor's usual trade.
 - b) The orderer shall unsolicitedly provide all information with regard to the position of covered supply lines of power, gas and water and similar installation as well as to the statics of the construction prior to the beginning of mounting work.
 - c) Prior to the beginning of the set-up or mounting work, all delivery parts which are required in order to start work must be on-site; and all bricklaying, carpenter and other preliminary work shall have progressed so far that the set-up or mounting may be performed right upon the arrival of the set-up or mounting personnel and be commenced as well as performed without interruption. In particular, the delivery ways and the set-up or mounting site must be floor-levelled and cleaned, the foundation wall must be set and dried, the foundation wall erected and filled; in case of an inside set-up the wall and ceiling plastering be entirely completed, notably doors and windows be installed.
 - d) If the set-up, mounting or start-up is delayed as a result of conditions which stem from the construction site at no fault of the supplier, the orderer shall bear all cost in connection with waiting time and further necessary travelling of the set-up or mounting personnel.
 - e) The orderer shall confirm at his best knowledge the working time of the set-up or mounting personnel on a weekly basis. In addition, the orderer is obliged to produce immediately to the set-up or mounting personnel a confirmation in writing of the termination of the set-up or mounting work.
 - f) The supplier shall assume liability only for the orderly handling and set-up or mounting of the delivery parts, he shall not assume liability for the work of the party who is charged with the set-up or its personnel and other subcontractors

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as far as these works are not connected to the delivery and the set-up or as far as these same works have been prompted by the orderer.

- B) If the supplier has taken at his charge the set-up or mounting against separate billing, the following provisions shall apply in addition:
1. The orderer pays to the supplier the charge rates which have been agreed upon the issuance of the order for working time and the additional cost in connection with overtime work, work at nights, on Sundays and holidays, for work under aggravated circumstances as well as for planning and supervision work. Times related to preparation, travelling, running, call-backs as well as waiting times the supplier is not liable for shall be considered working time.
 2. In addition, the following cost shall be paid separately:
 - a) Travelling cost, cost for the transportation of craftsmen's tools and personal luggage.
 - b) Allowances for the working time as well as for days of rest and holidays.

VIII Acceptance of Delivered Goods

1. Delivered goods, even with negligible damages, shall be accepted by the orderer.
2. Partial deliveries are admissible.

IX Warranty

The supplier shall assume liability for defects as follows:

1. All those parts or performances shall be repaired or performed again free of charge at the supplier's choice which within six months' time to be counted from the transfer of perils – regardless of the operating time – cannot be used any further as a proven result of a faulty workmanship, poor material or poor construction or whose usability was substantially affected. The supplier's choice is extended to the place of repair, too. As the case may be, the buyer shall send at his own cost and at his own risk the object to be repaired to the supplier's factory.

The supplier shall not assume liability for the replacement of typical wear and tear parts such as tubes, transistors, lamps, fuses etc. With regard to third-parties' products, the supplier's liability shall be limited to the assignment of those liability claims which he is entitled to against the supplier of the third-party product. The supplier shall be immediately given notice in writing of those defects found.
2. The orderer is bound to observe the contractual obligations, in particular the payment conditions which have been agreed. If a notice of defects is asserted, the orderer's payments may be retained to that extent which reflects the fair proportion of the defects which have shown. If the contract belongs to the operation of a trade, the orderer may retain payments only if a notice of defect that is beyond any doubt is sent.
3. With regard to the repair of defects, the orderer shall grant the supplier a reasonable period of time and occasion. If he refuses to do so, the supplier shall be exonerated from liability for defects.
4. If the supplier fails to observe a reasonable period of grace which was granted to him without performing the repair or if the repair is impossible or the supplier refuses the repair, the orderer shall be entitled to the right of price reduction. If the orderer and the supplier fail to agree upon price reduction, the orderer shall be entitled to rescind the contract.
5. In all cases, the rights of warranty shall come under the statute of limitation within 6 (six) months' time, to be counted from the time of the notice of defects. If the orderer and supplier fail to come to an agreement within this period, they can agree upon a prolongation of this period of limitation.
6. The liability for defects shall not be related to usual wear and tear, and furthermore not to damages which result from the transfer of perils as a consequence of non-conforming or negligent treatment, excessive exposure, improper operating means, defective construction works, improper soil and impacts of chemical, electro-chemical or electric impacts, which are not required according to the contract.
7. The liability for consequences which result from modifications or repair work that may have been performed improperly on the side of the orderer or third parties shall be revoked.
8. If the contract belongs to the operation of the orderer's trade, the warranty period for remedying defects, spare part deliveries and compensation is 3 (three) months. This period persists until the original warranty period of the delivered object expires. The period of the warranty for defects is extended by the duration of the breakdown which is due to the fact that remedying defects, spare part deliveries or compensation will be necessary for those parts which could not be properly operated.
9. Further claims on the side of the orderer against the supplier and his agent shall be excluded, notably the compensation for damages which did not occur on the object of delivery itself. This shall not apply as far as the law stipulates a liability in cases of wrongful intent, gross negligence or lack of characteristics guaranteed.

10. Para. 1 to 9 shall apply accordingly to those claims of the orderer for repair, replacement delivery or indemnification which result from proposals or consulting that have been performed prior to or after making of the contract, or from the breach of secondary obligations of the contract.

X Frustration, Adaptation

1. If the supplier or orderer is frustrated from the delivery which he is bound to perform, the common principles of law shall be applied with the following requirements: If the frustration results from the supplier's fault, the orderer shall be entitled to demand indemnification. However, the orderer's right for indemnification shall be limited to 5 (five) per cent of that part of the delivery which cannot be used by reason of the frustration. The right for a rescission of contract shall persist.
2. If unforeseen events to the extent of V, section 3, para 1 modify substantially the economic meaning of the contents of the delivery or performance or exert a substantial impact on the supplier's operation, the contract shall be reasonably adapted. As far as this is not justified in terms of business, the supplier shall be entitled to rescind the contract. If he wishes to make use of his right for rescission, he shall be bound to inform the orderer immediately thereof as he learns of the extent of this event, namely in such case, too, in which an extension of the delivery period was initially agreed.

X Additional Claims for Indemnity

Other claims for indemnity of the orderer against the supplier, his agent or subcontractor are excluded regardless of any legal grounds. IX, section 9, shall apply accordingly.

XI Court of Jurisdiction

1. If the orderer is a merchant, the general court of jurisdiction shall be at the supplier's choice his headquarters or subsidiary with regard to all disputes which result mediately or immediately from the contractual relation.
2. With regard to the contractual legal relations, German law shall apply.

XII Arbitration

1. If the parties intend to settle their disputes by arbitration, each party has to appoint an arbitrator within 4 (four) weeks upon demand of the opposing party. The chairman of the arbitration will be appointed by the president of the Regional Appeal Court being responsible for the party referring to arbitration. The president of the Regional Appeal Court shall also appoint the arbitrator of the party being in delay with the appointment of its arbitrator.
2. The decision of the arbitration is based on the terms of delivery agreed. Furthermore, §§ 1025 to 1048 of the code of civil procedure are applicable.

XIII Binding Force of the Contract

If one or more clauses contained in this contract should be held invalid, the effectiveness of the contract shall not be affected.