

**General Terms and Conditions of Business**  
- July 2008 -

Hartmann Elektrotechnik GmbH

Art. I. General provisions

1. These general terms of conditions of business apply to all existing and future orders of goods and services from us and for the despatch and delivery and such goods as well as the provision of all services inasmuch as no express arrangement to the contrary has been made. The use of the word "deliveries" in the following document is taken as meaning the provision of both goods and services.
2. The company Hartmann Elektrotechnik GmbH (hereinafter referred to as „the supplier“ retains the copyright and right of exploitation for all documents such as cost proposals, drawings and other documents (hereinafter referred to as "documents"). The documents may only be made available to third parties subject to the prior agreement of the supplier and are returnable without delay to the supplier upon request if the latter is not awarded an order. Sections 1 and 2 accordingly apply to the purchaser's documents, these may however be made accessible to such third parties from whom the supplier has commissioned permitted deliveries.
3. In the case of standard software the purchaser has the non-exclusive right to use it in accordance with the agreed performance characteristics in unchanged form on the agreed devices. The purchaser may prepare a backup copy without express agreement.
4. Partial deliveries are permissible inasmuch as they are deemed to be within the scope of that which is reasonable.
5. The sale is performed exclusively to companies within the context of Section 14 BGB (German Statute Book) as well as to bodies and trusts incorporated under public law. By placing an order, the purchaser confirms that he is a company or a body or trust incorporated under public law.
6. Should the supplier not avail himself of his rights on a single occasion this shall not constitute a precedent for his having to relinquish future rights.
7. Our offers are non-binding. The contract is deemed to be concluded by our confirmation of the order by such transmission media defined in Section 312 BGB (acceptance) or upon the supply of goods or services within three weeks of the date of receipt of the order.
8. In the case of goods, the subject of the contract is exclusively the product sold with properties, characteristics and purpose of use as defined by the product description provided by us. All details in printed matter and catalogues simply serve the purpose of describing the product and neither constitute a quality description, nor any assurance of quality, nor the assurance of any characteristics, nor do they constitute a guarantee. Further or more detailed characteristics or properties or any intended use which goes beyond the standard purpose require the express confirmation of the supplier.

Art. II. Prices and terms of payment

1. Prices are ex works excluding packing material and subject to addition of the applicable statutory VAT.
2. Should the supplier not have agreed to responsibility for installation or assembly and should no other agreement have been made, the purchaser shall in addition to the agreed consideration bear all supplementary expenses such as travelling expenses,

costs for the transport of tools and personal baggage as well as release fees for employees.

3. The purchaser shall only be entitled to offset such claims inasmuch as they are not disputed or have been legally established.

Art. III. Reservation of proprietary rights

1. The items of delivery (goods sold subject to a retention of title) remain the property of the supplier until the fulfilment of all claims by him upon the purchaser arising from the business relationship have been settled. Inasmuch as the value of all assured securities to which the supplier is entitled is in excess of 20% the supplier may, at the wish of the purchaser, release a corresponding amount of the security interest.

2. During the existence of retention of right to title, the purchaser shall not be permitted to undertake any pledging or mortgaging; further assignment shall only be permitted to resellers within the normal course of business and only under the condition that the reseller be paid by his purchaser or makes the stipulation that title is only transferable to his purchaser upon the latter having met his payment obligations in full.

3.a) Should the purchaser assign the goods under retention of title he immediately transfers to the supplier any further claims upon his own purchasers together with all ancillary rights from the assignment – including possible claims upon receivables – as a security and the supplier shall accept this transfer without and further explanation being required. Should the goods under retention be assigned together with other items without an individual price having been agreed for the goods under retention of title the purchaser shall transfer rights to the supplier in precedence to the remaining assignment such part of the total price claim that corresponds to the price of the goods under retention of title invoiced by the supplier.

b) If prima facie evidence of a justified claim is furnished the purchaser shall provide the supplier with such information and documents required in order to substantiate his claim against the client of the purchaser.

c) Until any revocation the purchaser shall be entitled to collect the assigned claims from the further assignment. In the event of a major reason in particular default on payment, cessation of payment, the opening of insolvency proceedings, bill protest or if comparable justified indications exist that the purchaser is unable to pay, the supplier shall be entitled to revoke the collection rights of the purchaser. Furthermore the supplier shall be entitled following initial threat of disclosure of the assignment or liquidation of the assigned claims and following a reasonable period to disclosure of the assignment of the security, to liquidate the security assignment as well as to disclose the security assignment by the supplier to the purchaser.

4.a) The purchaser shall be entitled to process, reconstruct or blend the goods under retention of title together with other items. Such processing, reconstruction or blending with other items shall take place for the benefit of the supplier. The purchaser shall store the new product for the supplier in accordance with due commercial diligence. The processed, reconstructed or blended item shall constitute goods under retention of title.

b) In the case of processing, reconstruction or blending with other items that are not the property of the supplier, the supplier shall have joint rights of ownership of the new item in the proportionate amount between the value of the item prior to processing, reconstruction or blending and thereafter. Inasmuch as the purchaser attains sole rights to the new item the supplier and purchaser shall be in agreement that the purchaser shall cede rights of ownership to the supplier of the new item

in the proportionate amount between the value of the item prior to processing, reconstruction or blending and the value thereafter.

c) In the event of assignment of the new item the purchaser assigns further claims upon his own purchasers to the supplier together with all ancillary rights from the assignment including all ancillary claims upon receivables as a security and the supplier shall accept this transfer without and further explanation being required. This assignment is already accepted by the supplier at this stage. The assignment only however applies in the amount invoiced by the supplier for the goods that were subsequently processed, reconstructed or blended. The proportion of the assignment ceded by the supplier shall be given priority in settlement. Point 3. c) appropriately applies to collection authority as well as to the prerequisites for its revocation.

d) Should the goods under retention of title be combined with land or movables the purchaser shall assign to the supplier any further claims, including such claims to which he may be entitled as consideration for the combination, including all ancillary claims upon receivables as a security in the amount of the proportionate value of the combined goods under retention of titles to the remaining combined goods at the time of the combination.

5. In the event of mortgaging, seizure, other restraints or intervention by third parties concerning the goods delivered by the supplier, the purchaser shall inform the supplier without delay.

6. In the event of culpable violation by the purchaser of any major contractual obligations, in particular in the case of default on payment, the supplier shall after having issued reminders be entitled to return of the goods and cancellation of the contract. Further claims, in particular those for compensation for damage, shall not be affected by this. The purchaser is obliged to surrender the goods. Having provided notice, the supplier shall be entitled without to dispose of the surrendered goods privately and to liquidate their value in taking into his open claims.

#### Art. IV. Periods of supply; Default

1. Periods or delivery deadlines are understood as being anticipated even when there is no particular stipulation. There shall be no claim upon delivery at the latest by such date. For the supplier, default on delivery only commences upon a written reminder from the purchaser having been issued which sets a prescribed deadline.

2. The observation of supplier's delivery periods is dependent upon the timely receipt of all documentation to be provided by the purchaser, such permissions and releases required, in particular plans and the fulfilment of the agreed terms of payment and other obligations by the purchaser. Should these prerequisites not be fulfilled in good time the delivery periods shall be extended appropriately; this shall not apply where the delay is attributable to the supplier.

3. Should the non-observation of supplier's delivery periods be caused by force majeure e.g. mobilisation, war, civil commotion or similar events such as strike or lockout the delivery periods shall be extended appropriately.

4. Should the supplier be in default, the purchaser shall be entitled to make a provable claim for damage for each completed week of default in the maximum amount of 0.5%, in total however no more than 5% of the value of the parts of the supplies that could not be commissioned for their correct purpose because of the delay.

5. Both claims for damages made by the purchaser because of delayed delivery and claims for damages in lieu of delivery that go beyond points mentioned no. 3 shall be excluded in all cases of delayed delivery or delivery beyond a period set by the purchaser for delivery. This shall not apply inasmuch as cases of intent, gross negligence or damage to life, body or health are subject to mandatory liability. The purchaser shall be entitled to cancel the contract within the framework of the legal provisions, should the delayed delivery be attributable to the supplier. Any change in the burden of proof to the disadvantage of the purchaser is not connected with the aforementioned rules.

6. Upon demand from the supplier, the purchaser shall be obliged to explain within a reasonable period whether he intends to cancel the contract because of delayed delivery or whether he wishes to maintain his order.

7. Should despatch or delivery be delayed at the request of the purchaser by more than month at the time of notification of readiness to deliver the purchaser may be charged for storage for every commenced month in the amount of 0.5% by the supplier. The proof of lower storage charges shall remain the right of the purchaser parties.

#### Art. V. Transfer of risk

1. Risk shall be also be transferable to the purchaser in the case of prepaid delivery as follows:

a) In the case of deliveries without installation or assembly, when they have been sent for delivery or collected. At the request and for the account of the purchaser, deliveries may be ensured by the supplier against the usual transport risks.

b) In the case of deliveries with installation or assembly upon receipt at the purchaser's premises.

2. Should the despatch, the delivery, the commencement, the performance of installation or assembly at the purchaser's premises or the trial operation be delayed for reasons which are attributable to the purchaser or should the purchaser be in default of acceptance for other reasons the risk is transferable to the purchaser at the time the supplier was able and willing to perform the delivery.

#### Art. VI. Installation and assembly

The following conditions shall apply to installation and assembly, inasmuch as there is no agreement to the contrary:

1. The purchaser shall bear the responsibility of making the following provisions at his expenses and in good time:

a) All earthworks, building operations and other non-sector related tasks including the provision of specialist and auxiliary staff, building materials and tools.

b) The requisite articles for assistance in installation and assembly and such items as scaffolding, lifting equipment and other devices, combustibles and lubricants.

c) Energy and water at the site of installation including line connections, heating and lighting, as usual in this regard.

d) Adequately sized, suitable, dry and lockable rooms at the place of assembly for machine parts, apparatus, materials, tools etc. and appropriate working and resting rooms for the assembly staff including reasonable sanitary facilities. Furthermore, the purchaser shall be responsible for undertaking such measures to protect

the property of the supplier and his staff at the site of assembly as he does to protect his own property and staff.

e) Such protective clothing and protective devices as may be required for specific circumstances at the assembly site.

2. Prior to commencement of assembly work, the purchaser shall be required without prompting to provide available information concerning overhead electrical, gas and water supplies or similar equipment, as well as providing the required static details.

3. Prior to the commencement of installation or assembly all additional equipment required for work to commence and provided by the purchaser must be correctly in place at the site of installation or assembly and all preparatory tasks be concluded to the extent that installation or assembly may be started as planned and can continue without interruption. Approach paths and installation or assembly site must be levelled and clean.

4. Should installation, assembly or commissioning be delayed for reasons which are not attributable to the supplier he shall be responsible for paying a reasonable extent of costs for waiting time and additionally incurred travel by the supplier and assembly staff.

5. Should the supplier require completion of acceptance of the delivery it shall be required to document this in a joint log within two days. Should this not be fulfilled for reasons which have to be justified by the purchaser, the acceptance of the goods shall be deemed to be complete. Acceptance shall also be deemed to be complete if the delivery has been commissioned into production upon the conclusion of an agreed test phase.

#### Art. VII. Acceptance

The purchaser shall not be entitled to refuse acceptance of deliveries because of minor complaints.

#### VIII. Material defects

1. Parts of a delivery that indicate material damage within the warranty period, inasmuch as its cause was ascertainable at the time of transfer of risk, shall at the choice of the purchaser be repaired; resupplied or replaced at no charge, irrespective of the operational duration. The purchaser is responsible for the respective proof.

2. Material defects claims are limited to a period of 12 months. This shall not apply inasmuch as Sections 438 subsection 1. 2 (Bauwerke und Sachen für Bauwerke [building and materials and materials for building sites]) 479 subsection 1 (Rückgriffsanspruch [right of recourse]) and 634a subsection 1.2 (Baumängel [building deficiencies]) BGB does not imply longer periods as well as in cases of damage to life, body or health, in the case intentional or grossly negligent violation of obligations by the supplier or by deceitful failure to disclose a defect. The legal regulations in respect of expiry of the statute of limitations, hindrance and recommencement of the periods remain unaffected.

3. The purchaser is required to announce material defects to the supplier without delay.

4. In the case of complaints, payments to be paid to the supplier by the purchaser may only be retained to such extent that represents a reasonable relationship to the material defects that have arisen. Should the complaint have been made without justification the supplier is justified in having any related expenses reimbursed to him by the purchaser. Further claims for compensation of the supplier due to default of the purchaser shall not be affected thereof.

5. Initially the supplier shall be granted an opportunity for subsequent performance within a reasonable period.

6. Should the subsequent performance fail the purchaser shall be entitled, without any effect upon possible for claims for damage, to cancel the contract or reduce the consideration in accordance with Section XI.

7. Complaints shall not be entertained in the event of minor variation in the agreed construction, irrelevant influence upon usability, natural wear and tear, incorrect or careless handling after transfer of risk, being made subject to excessive stress, use of inappropriate operating materials of the purchaser or insufficient advance works of the purchaser, in the event of damages or deterioration such that is subject to particular extraneous influences which had not taken been taken into account in the contract, as well as in the case non-reproducible software errors or should the purchaser or third parties undertake improper changes or repair work.

8. Claims by the purchaser in respect of expenses incurred for the purposes of subsequent performance in particular transport, freight, labour and material costs shall be excluded inasmuch as the item of delivery was subsequently transferred to a location other than the purchaser's premises unless such transfer was made for the purposes of the correct deployment.

9. Rights of recourse of the purchaser against the supplier in accordance with Section 478 BGB (Rückgriff des Unternehmers [company rights of recourse]) only exist inasmuch as the purchaser has not made any arrangements with his own purchaser beyond the provisions of the legal rights to complain. The scope of the right to recourse of the purchaser against the supplier in accordance with Section 478 subsection. 2 BGB shall be correspondingly supplemented by point 8 above.

10. Claims for damages shall be subject to Section XI. Further claims by the purchaser against the supplier and his vicarious agents or such that differ from the claims listed in this Art. VIII in respect of material complaints shall be excluded.

#### Art. IX. Industrial property rights and copyrights; Legal complaints

1. Inasmuch as it is not otherwise agreed, the supplier shall be obliged to solely provide delivery within the country of delivery free of industrial property rights and copyright claims hereinafter referred to as "copyright" by third parties. Inasmuch as a third party should raise a justified copyright infringement claim against the purchaser in respect of deliveries made by the supplier in accordance with the contract, the supplier shall be liable to the purchaser within the period defined in Art. VIII no.2 as follows:

a) The supplier shall at his choice and for his account either procure a right of use for the respective deliveries, change them in order to avoid violation of the copyright or exchange them. Should this not be possible for the supplier under reasonable conditions the purchaser shall be entitled to cancellation or reduction in price.

b) The obligation of the supplier to provide damages shall be subject to Art XI.

c) The aforementioned obligations of the supplier shall only exist inasmuch as the purchaser has informed the supplier in writing without delay of the third party claims made, fails to recognise a violation and all defensive measures and negotiations are reserved for the supplier. Should the purchaser cease use of the delivery in mitigation of damages or for other important reasons he shall be obliged to communicate to the third party that

the cessation of use does not constitute recognition of copyright infringement.

2. Claims made by the purchaser shall be excluded inasmuch as the copyright violation is attributable to him.

3. Claims by the purchaser shall be furthermore excluded inasmuch as the copyright violation was caused by specific requirements of the purchaser, by such use that was not envisaged by the supplier or caused by the delivery having been changed by the purchaser or combined with other goods that had not been provided by the supplier.

4. In the event of copyright infringement the claims by the purchaser ruled in section 1 a) shall furthermore be appropriately subject to the provisions of art. VIII.

5. In the case of other legal complaints the provisions of art. VIII shall appropriately apply.

6. Further claims by the purchaser against the supplier and his vicarious agents or such that differ from the claims listed in this Art. IX. in respect of material complaints shall be excluded.

#### Art. X. Non-performance; Contractual adaptation

1. Inasmuch as delivery is impossible, the purchaser shall be entitled to claim damages unless the impossibility cannot be attributed to the supplier. The purchaser's claim for damages shall however be restricted to 10% of the value such part of the delivery that was unable to be taken into commission. This shall not apply inasmuch as cases of intent, gross negligence or damage to life, body or health are subject to mandatory liability; any change in the burden of proof to the disadvantage of the purchaser is not connected with the aforementioned rules. The right of the purchaser to withdraw from the contract remains unaffected.

2. Inasmuch as unanticipated events in the sense of art. IV No. 2 arise that substantially affect the contents of the delivery or have a substantial effect upon the operations of the supplier the contract will be amended appropriately under observation of the requirements of good faith. Inasmuch as this is not economically feasible the purchaser is entitled to the right of withdrawal from the contract. Should he wish to make use of this right to withdrawal he shall be obliged subsequent to assessing the consequences of the event to advise the supplier without delay even if an initial agreement had been made with the supplier for delayed delivery.

#### Art. XI. Claims for damages

1. Claims for damages by the purchaser (hereinafter referred to as "damages"), irrespective of their legal reason, in particular because of violation of the obligations and from tort, shall be excluded.

2. This shall not apply if liability is mandatory e.g. in cases of intent or gross negligence in accordance with the product liability law. Claims for damages are based upon foreseeable damages typical for contracts. Any change in the burden of proof to the disadvantage of the purchaser is not connected with the aforementioned rules.

3. Inasmuch as the purchaser shall be entitled to claims for damages in accordance with art. XI, these shall be limited to the one-year period for claims for material damage in accordance with art. VIII no. 2. In the case of claims for damages in accordance with the product liability law the legal limitation regulations shall apply.

#### Art. XII. Data storage

1. The purchaser is in agreement that we store and process his data, inasmuch as this serves the purpose of the business relationship and is in compliance with Federal Data Protection Law.

#### Art. XIII. Place of jurisdiction and applicable law

1. The place of fulfilment for the delivery and the obligation of the contractual partner is our company location. The place of jurisdiction for both contractual parties inasmuch as any dispute arises in accordance with these terms of business shall be the location of the supplier.

2. The legal relationships in connection with this contract shall be subject to German material law under exclusion of the United Nations Convention on the International Sales of Goods (CISG).

#### Art. XIV. Validity of the contract

1. In the event of one condition of this contract becoming legally invalid the validity of the remaining provisions shall remain unaffected. This shall not apply if adherence to the contract be deemed to constitute undue hardship for one of the parties.

2. The remaining provisions shall not be affected in the case of one of these provisions of business being rendered void. These shall continue to apply.

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