

General Terms of Business

I. Definition of supplies of performances: Effective date of the contract.

1. The explanations given in writing by both parties shall define the supplies or performance. If a contract has been concluded without those reciprocal explanations, the order shall be defined as in either the written confirmation of order from the supplier or performing party (hereinafter called "the supplier") or, if no confirmation is provided, in the written order of the customer. In principle, any of the customer's purchasing conditions which differ from these general terms shall not form part of the contract.
2. Protective devices shall be supplied if these are prescribed by law or expressly agreed.
3. All supplies or performances in the electromedical field shall be governed by the regulations of the "Verband Deutscher Elektrotechniker" in so far as they relate to the safety of the supplies or performances. Exceptions therefrom are permissible if the same standard of safety is ensured by other means.
4. The supplier shall have unrestricted copyright and right of exploitation of estimates, catalogues, drawings and other documents; these may be made accessible to third parties only with the supplier's prior consent. Drawings and other documents pertaining to quotations must be returned immediately upon request if the order is not given to the quoting party. Sentences 1 and 2 shall apply mutatis mutandis to the customer's documents; however, these may be made accessible to third parties whom the supplier has permissibly instructed to provide supplies or performances.
5. Any subsidiary agreements shall be valid only if they have been confirmed in writing.
6. The supplier's quotations shall be binding upon it only by express written agreement.
7. Special products shall be charged on the basis of their cost price. Specially produced items may not be taken back. Orders for special products may be cancelled only with our express written consent. We are not obliged to examine any samples, drawing or other documents delivered to us for special products with respect to their compliance with existing proprietary rights. The customer is entirely responsible therefor.

II. Price.

Prices mentioned are to be understood ex-works not including packing, assembly or installation. Value added tax is not included.

III. Retention of title.

- a. The supplier shall retain the title to the delivered items until complete payment of the price and fulfilment of any further obligations deriving from existing business relations with the customer.
- b. The customer shall mark the retained goods as being the property of the supplier and keep them separate. The retained goods may not be pledged, assigned as security or in any other way encumbered with third parties rights. The customer is entitled to re-sell the retained goods or combine them with other movables only as part of its regular business. It shall ensure that as far as possible the supplier retains the title and hereby assigns to the supplier the claim to the purchase price of the item - which may be processed - from its purchaser to the full amount but no more than up to 120% of the supplier's claim. The supplier accepts this assignment. The customer must inform the supplier of the purchaser's name.
- c. Until it is cancelled, the customer retains the authority to collect the debt. It shall immediately forward the collected sums to the supplier. At the supplier's request, the customer undertakes to inform the purchaser of the assignment and provide the supplier with all the documents and information required for exercising its rights.
- d. If the customer acquires sole ownership by law because the retained goods are combined with other movables, it undertakes to procure for the supplier joint title to a proportion corresponding to the value of the retained goods. The agreement on the assignment of joint title is deemed to be concluded when the new items are produced. Instead of the assignment, the customer shall own the new items jointly with the supplier under a custody contract.
- e. The customer undertakes to keep the retained goods in perfect condition and to insure them against the customary risks. Upon request it shall provide the supplier with evidence of the insurance. The customer shall immediately notify the supplier of any damage. The customer hereby assigns to the supplier any delay in payment, stoppage of payment or any claims it may acquire against the insurers or third parties by reason of the damage. The supplier accepts this assignment. In the event of more than 2 weeks' delay in payment, stoppage of payment or any major deterioration in its financial circumstances, the customer undertakes to deliver the retained goods to the supplier. The customer shall be liable for any costs. The supplier is empowered freely to sell the retained goods at a suitable price or to take possession of them itself.
- e. At the customer's request, the supplier shall cancel the liens to the extent that the residual value they secure exceeds secured claims by more than 20 %.
- f. The customer shall immediately inform the supplier in writing of any institution of judicial composition or bankruptcy proceedings, any seizure of the retained goods or other attachments by third parties. It must advise its creditors or the third parties of the supplier's retention of title. The customer shall be liable for any costs incurred by the supplier for action taken against attachments by third parties.
- g. If in the case of exports, specific measures are necessary at the place in which the goods are located after delivery in order to validate the aforesaid retention of title or assignment, the customer shall advise the supplier thereof and carry out such measures at its own expense. If retention of title and/or the other aforesaid rights are unacceptable at the place in which the goods are located after delivery, the customer shall at its own expense take all necessary action to ensure that the supplier acquires liens on the delivered goods which resemble these rights as closely as possible.
- h. Exercise of the rights attaching to retention of title shall not be considered as withdrawal from the contract.

IV. Payment conditions

1. Payment shall be remitted free to the supplier's place of payment. In case of agreement upon payments on account the payment shall be remitted plus value added tax.
2. The customer may offset payment only against claims which are undisputed or legally established.
3. Payments shall be remitted net within 20 days.
4. Invoices for repairs shall be paid immediately without any deductions.
5. In the event of late payment the supplier may without notice charge interest on defaulted payments at 3% above the current bank rate of the National Bank - but at least 7%; this is without prejudice to proof of more serious loss.

V. Delivery or performance dates

- a. The explanations given in writing by both parties shall define the delivery or performance terms Art. 1 (1), sentence 2, shall apply. Compliance with the term requires that the customer delivers in good time the necessary documentation, authorizations, certificates, clarifications and approval of the plans and complies with the agreed payment conditions and other obligations. If these requirements are not fulfilled at the correct time, the term shall be suitably extended. The supplier is entitled to provide partial consignments or performances for which separate payments may be claimed.
- b. The term shall be deemed to be met: a) for delivery without installation or assembly, if the consignment, ready for operation, has been despatched or collected within the agreed term for delivery or performance. If despatch is delayed for reasons attributable to the customer, the term shall be deemed to be fulfilled when notice of readiness for despatch is given within the agreed term; b) for delivery with installation or assembly if installation or assembly has been completed within the agreed term.
- c. If the supplier is unable to comply with the term for delivery or performance owing to mobilization, war, civil disorders, strikes, lock-outs or unforeseen impediments, the term shall be suitably extended without the customer's consent thereto being required.
- d. If despatch or delivery is delayed at the customer's request, storage fees of 12 % of the invoiced sum can be charged to the customer for each month or partmonth, commencing one month after notice of readiness for despatch; the storage fee is limited to 5 % unless higher costs can be proved.

VI. Transfer of risk. Even if freight-paid delivery has been agreed, the risk shall be transferred to the customer:

- a) for delivery without installation or assembly, when the consignment, ready for operation, is despatched or collected. The items shall be packed with the best possible care. They shall be despatched at the discretion of the supplier. The supplier is empowered to insure the consignment against breakage, fire and transport risks at the

customer expense unless the customer expressly refuses insurance.

b) for delivery with installation or assembly, on the date when the goods are accepted as ready for operation; if a trial run is agreed, after a perfect trial run. This presupposes that the trial run or acceptance takes place immediately after the goods have been installed or assembled ready for operation. If the customer does not accept the offer of a trial run or acceptance in its premises, the risk for the period of delay shall be transferred to the customer 14 days after that offer has been made.

c) If despatch, delivery, installation or assembly is delayed at the customer's request or for reasons attributable to it, the risk for the period of delay is transferred to the customer; however, the supplier undertakes to take out the insurance required by the customer at the latter's request and expense.

VII. Installation and assembly. A. Unless otherwise agreed in writing, the following conditions shall apply to every form of installation and assembly:

a) At its own expense the customer shall provide at the correct time:

1. teams of helpers such as unskilled workmen and, if necessary masons, carpenters, locksmiths, crane drivers, other skilled workers with the necessary number of the tools they require;
 2. all excavations, foundations, buildings, supports, scaffolding, plastering, painting and other subsidiary works outside the supplier's sector, including the necessary materials;
 3. the requisities and materials needed for assembly and commissioning, such as scaffold poles, wedges, supports, cement, plaster and sealing materials, lubricants, fuels etc.; also scaffolding, lifting tackle and other devices;
 4. power and water, including the necessary connections to the point of use, heating and general lighting;
 5. at the installation site, sufficiently large suitable dry and lockable premises for keeping components, apparatus, materials, tools, etc. and suitable workshops and recreation rooms for the assembly staff, including adequate sanitary facilities; to protect the property of the contractor and the assembly staff on the site, the customer must take whatever action it would take to protect its own property;
 6. protective clothing and equipment which are necessary as a result of special conditions on the assembly site and which are not customary in the contractor's sector.
- b) Before assembly work begins, the customer must voluntarily provide the necessary information about the position of concealed electric wires, gas and water pipes or similar plant and also the necessary data on statics.
- c) Before the installation or assembly work begins, the delivered parts required for commencing work must be on the site and all the preliminary work needed before construction begins must have reached a stage where the installation or assembly can start immediately after the arrival of the fitters or assembly staff and can continue without interruption. In particular, the access routes and the installation or assembly site at ground level must be levelled and laid out, the foundation work set up and dry, the foundations laid out and lined and, in the case of installation indoors, the wall and ceiling plaster must be completed and doors and windows installed.
- d) If installation, assembly or commissioning is delayed for reasons and especially conditions on the site for which the supplier cannot be held responsible (delay by creditor), the customer shall be liable for a suitable proportion of the costs of waiting and any further travel by the fitters or assembly staff.
- e) To the best of its knowledge, the customer shall certify the weekly working hours of the fitters or assembly staff. The customer must also immediately give the fitters or assembly staff a written certificate on the completion of the installation or assembly work.
- f) The supplier shall not be liable for the work of its fitters, assembly staff or other assistants unless the work is connected with the delivery, installation or assembly or if that work is arranged by the customer. If the supplier provides the installation or assembly work against a separate charge, the following conditions shall apply in addition to those stated in A above:
1. The customer shall pay the supplier the rates agreed when the order is given for working hours and supplements for overtime, nightwork, Sunday or holiday working, for work under difficult conditions and for planning and supervision. Time spent on preparation, travelling, journeys to the site and reporting back shall be considered as working time.
 2. The following expenses shall be reimbursed separately: a) travel expenses, costs of transporting hand tools and personal luggage; b) allowance for working time and also for restdays and holidays.

VIII. Acceptance

Delivered items shall be accepted by the customer even if they show minor defects.

IX. Liability for defects.

The supplier has the following liability for defects which also include lack of the guaranteed characteristics:

1. Warranty expires 12 months from the date of delivery. This period of limitation is valid for claims for damages, direct and indirect, to the conclusion of this agreement. If extended warranty terms are provided, the preceding clause 2 is valid accordingly.
2. Products delivered and installed must be examined by the customer immediately. In case of defects, the supplier must be notified, without delay, in writing, or if necessary by telex. An exact description of the defect must be provided.
3. If the complaint is justified, the goods shall be repaired by the supplier, or the customer shall receive replacement parts against the return of defective parts, free of charge and freight paid.
4. All replacements or repairs must be accomplished by the supplier's customer service. Clause 3 is valid accordingly. In the case of extraordinary occurrences, the necessary measures must be agreed with the supplier prior to repair or service.
5. The liability for damage does not include damage and malfunction due to chemical, magnetic, electric or other external causes.
6. Guaranteed performance exists only as it relates to the product's written specifications.
7. Warranty provisions are provided solely, and only, to the original purchaser of the product. They are not extended to subsequent purchasers.
8. Claims by the dealer or owner, especially for faults at the conclusion of the contract; active infringement of claims or obligation to give advice, for consequential damages or malfunction are excluded, unless liability is obligatory in cases of deliberate intent or gross negligence by the supplier or its assistants.
9. The conditions for warranty terms referred to in Nos. 1, 5 and 8 above shall not apply if the law prescribes longer terms.
10. No other claims by the customer against the supplier and its assistants in fulfilling the contract are permitted, especially any claims for compensation for damages which have not occurred to the supplied item. This shall not apply if liability is obligatory in cases of gross negligence, deliberate intent or lack of the guaranteed characteristics.
11. Nos. 1 - 10 above shall apply mutatis mutandis for any claims by the customer for repairs, replacements or compensation which have arisen because of proposals or advice given under the contract or because of infringement of any subsidiary contractual obligations.

X. Legal venue

1. If the customer is a registered trader, the sole legal venue for all disputes deriving directly or indirectly from the contractual relations, shall be the head office or branch of the supplier at the latter's discretion.
2. The contractual relations shall be governed by German Law as set down in the German Commercial Code and Civil Code. The United Nations Convention on Contracts for the International Sale of goods is not applicable.

XI. The force of the contract

Should any parts of the contract be invalid in law, the other parts shall remain binding. This shall not apply if compliance with the contract causes unreasonable hardship to either party.

XII. Data storage

The customer agrees that its data pertaining to the fulfilment of the contract shall be stored with the supplier.