

General Terms and Conditions of CeoTronics

§ 1 Application

CeoTronics AG trades exclusively on the basis of these General Terms and Conditions. These Conditions shall apply on this and any subsequent contract. Conflicting Conditions are hereby expressly excluded.

§ 2 Place of Performance and Freight

Unless otherwise agreed, all deliveries are ex works Rödermark. All costs of transport including costs of insurance of the appropriate means of transport are to be borne by the Customer. The Customer is entitled to choose a method of transport different from the one chosen by the Supplier, provided any additional costs incurred as a result are borne by the Customer. Delivery will be in the most appropriate and cost effective packaging. CeoTronics will arrange for transportation insurance, the costs of which are to be borne by the Customer.

§ 3 Delivery

Correct and punctual delivery of the Supplier is the prerequisite for compliance with his own delivery obligations. The Supplier shall not be liable for its inability to comply with its delivery obligations in the event of governmental orders, acts by supranational organisations, wars or natural catastrophes in the country of origin of the goods. In the event of industrial disputes and operational interruptions the contractual times for delivery will be extended automatically by the period of the interruption. In the event of subsequent changes to the contract, which may influence the delivery dates, such delivery dates are deemed automatically extended, unless otherwise agreed in writing.

In the event that the Customer fails to comply with his own contractual obligations (for example in the case of technical enquiries) the time for delivery is extended appropriately. The Supplier is entitled to deliver by instalments.

In the event that security measures are necessary in the case of works to be carried out by CeoTronics, it shall be the Customer's responsibility to ensure that such measures are taken and adhered to. The Customer shall bear all necessary costs. Insofar as any inspections are necessary, the Customer shall make the necessary arrangements and bear all costs in this connection.

§ 4 Price, Payment and Delay

All prices, if not stated otherwise, are exclusive of any applicable value added tax. Unless otherwise agreed for individual orders, payment is due on delivery without deduction.

Insofar as delivery has been agreed to be by instalments, or part deliveries have been made pursuant to paragraph 3.5 above, the relevant instalment price is due on each instalment delivery. In the event of late payment, the Customer agrees to pay interest at the rate of 8% above the base rate pursuant to paragraph 247 of the German Civil Code BGB). The Supplier shall be entitled

to exercise a right of refusal of delivery also when there has previously been late payment of deliveries.

In the event of a substantial deterioration of the Customer's financial situation following the entering into this contract, the Supplier shall be entitled, at its choice, to set a time limit within which delivery shall be against payment only in respect of any remaining delivery obligations. In the event that the Customer fails to comply with its payment obligations within this time limit, the Supplier shall be entitled to withdraw from the contract.

§ 5 Products for areas at risk of explosion

The Customer warrants to keep records of all onward sales of products supplied by CeoTronics which are to be used in areas at risk of explosion, in order to be able to provide ready information about the whereabouts of such products. If, in the event of a product recall by CeoTronics, the Customer is unable to trace the products sold on, the Customer shall be liable for all consequential loss, damage and or injury to persons.

§ 6 Guarantee Claims, Complaints

The quality and composition of the delivered goods will be in accordance with the Supplier's specification and description as set out in the offer document or order confirmation. The parties to the contract agree that the goods are to be deemed free of defects provided they are in accordance with such specification. Deliveries of up to 10% less than the contractually agreed amount shall not be regarded as breach of contract.

In the event of defective goods the Customer is entitled to either remedy the defects or to request replacement delivery. All other guarantee claims are excluded. In the event that neither remedy nor replacement are possible, the Customer has the option to either withdraw from the contract, request a reduction in purchase price or claim damages pursuant to current legal entitlements. The time for replacement delivery must take into account the time required by the Supplier to obtain the goods.

The Customer is under an obligation to examine each delivery on receipt and to notify the Supplier of recognisable defects promptly and in any event within 7 days of delivery. Latent defects are to be notified to the Supplier immediately after their discovery. The right to assign or transfer any guarantee claims without onward sale to a third party is hereby excluded. The Customer shall inform the Supplier immediately in the event that guarantee claims are raised by a customer of the Customer.

§ 7 Liability

The Supplier shall not be liable for negligent acts, including negligent acts on out f or the fulfilment of essential contractual duties (Kardinalpflichten).

The Supplier shall not be liable whatsoever for untypical damage, damage which was not foreseeable, or damage which could have been prevented by the Customer. In particular, the Supplier shall not be liable for damage arising from improper use or lack of proper supervision of electrical products and installations on the part of the Customer. All limitations of liability shall also apply to liability arising from culpa in contrahendo, alternatively as provided by paragraph 311.2 of the German Civil Code (BGB) and unauthorised acts. Furthermore, the Supplier shall not be liable for any consequential damage, liability for which is covered by the provisions of paragraph 241.2 of the German Civil Code (BGB), unless the other party was, by virtue of a position of trust or special knowledge between the parties, entitled to rely upon proper fulfilment of obligations by the other, or where contractual obligations are of the essence.

No limitation or exclusion of liability shall apply in the event that the Supplier is responsible for any damage and injury to life, body and health.

§ 8 Retention of Title

The goods delivered shall remain the property of the Supplier until payment in full of all sums owed by the Customer as a result of the trading relationship. This applies also to any payment on accounts system operated by the Customer and Supplier.

The Customer is entitled to sell or process the goods in the ordinary course of his business but is prohibited from pledging the goods or to charge them by way of security to third parties. This is inapplicable in situations in which the sale is to third parties which have excluded, or limited, any claims against them in respect of supplied goods under a retention of title clause.

The Customer hereby assigns to the Supplier any claims he may have as a result of the onward sale of the goods, or any other legal reason (see paragraph 950 of the BGB). The Supplier accepts this assignment. Irrespective of this assignment and the Supplier's right to collect debts due the Customer remains entitled to collect any trade debts following the assignment for as long as he complies with his obligations under the contract, is not overdue with his payments, is not subject to insolvency proceedings, is able to pay his debts and it does not become obvious following conclusion of the agreement that the Supplier's ability to obtain payment by the Customer is jeopardised. The Customer must on demand forthwith provide the Supplier with all necessary information relating to any assigned claims and must inform his customers of this assignment. The entitlement of the Customer to assign his trade debts to third parties is, to the extent of the Supplier's claims against him, hereby expressly prohibited. In the event of payment from the Customer being overdue, the Supplier shall be entitled to demand forthwith the return of any unpaid for goods.

Any processing or alteration of the goods by the Customer is done by him as manufacturer on behalf of the Supplier. If the goods are processed with other goods not belonging to the Supplier, the Supplier acquires co-ownership in the new product in proportion of the value of its own goods to that of the value of

goods used from other suppliers. If the processing of different goods results in a new main product, it is hereby agreed, that the Customer grants to the Supplier co-ownership in the new product which is to be proportionate to the value of its own goods used in the process. The Customer, or his end customer, holds ownership in trust on behalf of the Supplier.

Items 1-3 apply to new products which have resulted from processing, mixing or alterations.

In the event of payment by bill of exchange or cheque (irrespective of whether such payment is made by the Customer to the Supplier, or by the end customer to the Customer who then passes on payment in that form to the Supplier) then the Supplier's title in the goods shall continue to be reserved until any bill of exchange or cheque has been met by the Customer or the end customer and will not be brought to an end by the crediting to the Supplier of the bill of exchange or the cheque.

§ 9 Intellectual Property Rights

The Customer hereby personally guarantees that he has exclusive rights of ownership of the Intellectual Property in the designs and specifications passed to the Supplier for the purpose of manufacture of products by the latter. In the event that any intellectual property claims are nevertheless made against the Supplier by a third party in respect of products manufactured by it to the designs and specifications by the Customer, the Customer shall indemnify the Supplier fully in respect of all costs and claims incurred in this respect.

§ 10 Applicable Law and Jurisdiction

This contract shall be governed by the laws of Germany. The applicability of CISG is hereby expressly excluded.

The place of performance for all contractual obligations arising out of this contract shall be the place of business of the Supplier. All disputes arising out of this contractual relationship shall be subject to the jurisdiction of the Court of the Supplier's place of business and, if the Supplier so determines, also the Court at the place of business of the Customer.

No variations by the parties to this contract, including variations relating to this clause, shall be binding unless agreed in writing.

§ 11 Translation

The above Conditions represent a translation from the original German version of the General Terms and Conditions of CeoTronics AG. In the event of ambiguity, or difference arising between the original version and this translation, the original German version shall prevail.