

- 1. Exclusive Validity of these Conditions**
Any and all deliveries – including any and all future deliveries – shall exclusively be governed by these General Conditions of Delivery and Payment. Purchasing Conditions of the Customer are herewith explicitly rejected to the extent they are in conflict with these conditions.
- 2. Conclusion and Contents of Contract**
- 2.1** Unless explicitly stated otherwise by the Supplier in any particular case, no declaration of intent issued by the Supplier at the initial phase of any negotiation shall be deemed to constitute a binding offer but is to be understood merely as an invitation to the Customer to make such an offer. Any declarations of intent issued by representatives or agents of the Supplier shall become effective only upon being confirmed by the Supplier in writing. All contracts shall become binding only upon the written confirmation and/or acceptance by the Supplier.
- 2.2** Any Amendments shall become effective only if made in writing.
- 2.3** Any documents provided by the Supplier are meant for information purposes only and do in no way constitute any kind of guarantee.
- 2.4** 2.4. Rights deriving to the Customer from this Contract must not be assigned.
- 3. Prices**
- 3.1** The prices quoted are ex works (INCOTERMS2010), net of VAT of the country of origin, exclusive of packaging and transportation and immediately payable. The Customer is responsible for payment of any kind of import taxes (VAT, sales tax), customs duties and/or inspection or any other charges levied by the country of importation.
- 3.2** Orders of less than EUR 500.– in total value shall bear a handling charge of EUR 50.– which shall not be subject to any discount otherwise granted.
- 3.3** No discount shall be given on invoices for any of the following: replacement meters, installation, services rendered, inspections, meter tests, repairs and calibration fees.
- 3.4** Notwithstanding full or partial payment on the part of the Customer, title to all tools employed by the Supplier for the manufacture of the products to be delivered to the Customer shall unabatedly remain with the Supplier. In particular, the Customer shall in such a case obtain neither any encumbrance on such tools nor shall he be considered their co-owner.
- 3.5** In the event of cancellation of orders for goods made to customer's order or a reduction of quantity, the Supplier reserves the right to claim compensation for costs incurred in connection with work already completed.
- 4. Passing of Risk**
Any and all risk shall pass to the Customer when the merchandise leaves the Supplier's factory.
- 5. Delivery**
- 5.1** Partial deliveries are permitted unless otherwise agreed upon.
- 5.2** Unless otherwise agreed upon the obligation to deliver a specific quantity shall be deemed to have been fulfilled if the quantity delivered falls up to 10% short of the quantity ordered. However, only the quantity actually delivered shall be due and payable. In case of excess deliveries of up to 10%, the actual quantity delivered shall also be accepted and due and payable.
- 5.3** Delivery dates indicated by the Supplier shall refer to the time when the merchandise leaves the Supplier's works. An appropriate extension of the agreed-upon delivery time shall be granted in case of an unforeseeable and inevitable shortfall of energy or of raw materials, in case of a strike, lockout, of an unforeseeable state action, or of a default or non-performance on the part of sub-suppliers. If such a delay exceeds one month or if there is a close down of the works either of the Supplier himself or of one of his sub-suppliers or if any other exceptional event occurs which is not merely of a temporary nature for which the Supplier is not responsible or which is beyond the Supplier's control, the Supplier shall be entitled to terminate the contract.
- 5.4** If the Supplier is in delay with his delivery, the Customer may, after having set the Supplier an additional period of time of a length reasonable under the circumstances to effect such delivery and the Supplier failed to do so or failed to do so properly, terminate the contract. The same right shall inure to the Customer even without the need to set such an additional period if the Supplier is or has become unable to perform delivery for reasons that are or were within his own responsibility or control. Other claims on grounds of a delay or the inability to effect delivery, in particular any claims for damages, are excluded.
- 6. Incoming Inspection, Notice of Defects, Warranty, Liability and Return of Merchandise**
- 6.1** Notice of obvious defects, such as deviations in the quantity or identity of any products received or of defects in the packing or due to transportation as well as notice of any other obvious defects must be given in writing not later than one week after receipt of such delivery. In case of hidden defects said period shall be counted from the date on which such defect is or could have been detected.
- 6.2** Any damage of goods caused by inappropriate

- handling or transportation shall not be deemed a defect, like damage caused by fire and/or frost, intrusion of foreign substances / contaminants, mud and/or dirt. The Supplier shall not be liable for damage in any goods that have been modified by or at the order of the Customer. In case the original seal of a device delivered by the Supplier is broken as of the time notice of the defect in question is given, this condition shall be deemed not to be fulfilled.
- 6.3** For any defects in the products delivered by the Supplier which are properly and timely notified by the Customer the Supplier shall be liable to the Customer, at the Supplier's discretion, either to repair or replace such product ("supplementary performance"). If such a supplementary performance has failed twice, the Customer shall be entitled, at his option, either to reduce the purchase price appropriately or to rescind the contract. Upon their disassembly replaced parts shall become the Supplier's property. Claims for damages may be asserted by the Customer only for any damage caused by intent or through gross negligence of the Supplier or of any person employed by him in the performance of his obligations and for any damage caused through the bodily injury of a natural person. Any other claims of the Customer to compensate any direct or indirect damage not heretofore explicitly mentioned – no matter on which legal grounds they are based – including any claims for damages on grounds of the violation of precontractual duties as well as tort shall be excluded.
- 6.4** The period of limitation for any of the abovementioned claims shall be 24 months, except for claims for supplementary performance which, if raised by businessmen/businesses, shall be 12 months only. The period of limitation for any claims vis-à-vis consumers shall be 24 months. Such period shall begin to run from the date of delivery respectively acceptance of the products in question.
- 6.5** The period of limitation for replacements and/or for repaired products shall run until expiration of the original period of limitation, at least, however, for three months.
- 6.6** Any advice issued by the Supplier with regard to the fitness of the delivered goods for their intended purpose shall always be deemed to be given without obligation whatsoever and shall neither give rise to any liability on the part of the Supplier nor release the Customer from his pertinent responsibility.
- 6.7** Any liability the Supplier might otherwise have for defects in delivered software shall automatically cease upon such software's unauthorised modification.
- 6.8** It shall be at the full discretion of the Supplier to approve of a return of non-defective products. However, in case such a return is granted by the Supplier a handling fee of 20 percent of the purchase price, but in any case a minimum fee of EUR 80.00 shall be charged in this connection. The refund of any calibration fees paid is excluded.
- 7. The Need of Continued Creditworthiness of the Customer**
The continued absolute creditworthiness of the Customer is an indispensable precondition for delivery. If, after the conclusion of the contract, the Supplier obtains information which warrants reasonable doubts in this respect, he shall be entitled to demand, at his discretion, either advance payment or collateral or, if a consideration other than payment in cash had been agreed upon, payment in cash. Alternatively, he may terminate the contract or refuse performance and claim damages in lieu of performance. Such doubts shall be justified, in particular, but not exclusively, in the following cases: A considerable deterioration in the Customer's overall financial position, suspension of payments, bankruptcy or composition proceedings, termination of business, substantial assignments or encumbrance as collateral by the Customer of inventories, claims or of purchased merchandise to other creditors.
- 8. Retention of Title**
- 8.1** Drawings, designs and other documents placed at the disposal of the Customer for product description purposes shall remain the property of the Supplier in terms of both ownership and copyright and shall be returned to the Supplier at any time on request.
- 8.2** The Supplier shall retain full title to all merchandise delivered until all claims due to the Supplier at present or in the future against the Customer are fully satisfied. In the case of payment by cheque or by bank transfer, payment shall be deemed to have been effected only when the pertinent amount has been irrevocably credited to the Supplier's account.
- 8.3** If the Customer uses such merchandise as material or component to manufacture a new product out of it, such manufacturing / assembly shall be deemed to be carried out by the Customer on behalf and in the name of the Supplier, without any obligations arising therefrom for the Supplier. If the merchandise is blended or

- assembled with other items, the Customer herewith, upon conclusion of the relevant delivery contract, assigns to the Supplier his legal right of surrender and/or his property / co-ownership rights in the blended or new item. The Customer shall keep such blended or new item(s) in custody for the Supplier using the care of a diligent businessman.
- 8.4** The Customer may resell the merchandise / product being subject to retention of title only in the ordinary course of business. The Customer herewith assigns to the Supplier as collateral for his open receivables all claims he obtains as consideration for the resale or on any other legal grounds. The Customer is authorized to collect the assigned claims. When the Supplier's claims are due, the Customer shall keep separately such collected amounts and shall immediately transfer them to the Supplier. The customer must immediately notify the Supplier in case any third party claims attachment of the merchandise under retention or of any of the assigned claims. Any costs of a potential intervention shall be borne by the Customer.
- 8.5** If the total value of collateral obtained by the Supplier exceeds the total amount of claims open to the Supplier by more than 20 per cent, the Supplier shall at the Customer's request be obligated to retransfer the excess amount to the Customer.
- 8.6** The authorization of the Customer to process or resell merchandise under retention of title or to collect claims assigned to the Supplier expires in the following cases: the conditions of payment are not observed, bills of exchange or cheques of the customer are protested, a petition for insolvency proceedings is filed, payments are suspended, business is terminated or negotiations regarding a moratorium are initiated. In such case, the Supplier may take the merchandise into his possession. Unless expressly stated by the Supplier, such repossession, if conducted, shall not constitute a termination of the contract. Any storage, transportation and other costs in connection with such repossession shall be at the Customer's charge. In such case and upon pertinent request by the Supplier, the Customer shall inform the garnishees about the retention of title and assignment of claims. He shall also provide the Supplier with all information and data needed by the Supplier in order to pursue his claims against the garnishees. Instead of crediting the merchandise retaken from the Customer at its invoice value, the Supplier may, at his discretion, credit such merchandise at its current market value or at the value reasonably obtainable by the utilization or sale of such merchandise. At any rate, any expenses arising in this respect shall be at the Customer's charge.
- 9. Conditions of Payment**
- 9.1** Invoices shall be paid within 14 days from delivery without any deduction. From the 15th day default interest will be charged at the legal rate.
- 9.2** The Customer shall not be entitled to withhold any payments; any set-off shall be permissible only if such claims have become *res judicata* or if they are uncontested. Irrespective of maturity of the claims, the Supplier shall be entitled to set his claims off against those the Customer has vis-à-vis companies with which the Supplier is directly or indirectly affiliated.
- 9.3** In case of a deterioration in the financial circumstances of the Customer, the Supplier shall be entitled to declare all claims he has vis-à-vis the Customer immediately due and payable and claim payment thereof.
- 10. Final Provisions**
- 10.1** The place of performance for all obligations deriving from this contract shall be the address of the Supplier's works from which the pertinent delivery must be made respectively the ordered services to be performed.
- 10.2** This contract as well as all disputes arising out of it or in connection with it shall exclusively be governed by German Law.
- 10.3** Any disputes arising out of or in connection with any contract governed by these Conditions shall exclusively be decided by the competent court in Nuremberg, Germany.
- 10.4** If the Supplier is the plaintiff, it shall have the option to initiate arbitration proceedings instead. Such proceedings shall be held in compliance with the Arbitration Rules of the Deutsche Institution für Schiedsgerichtsbarkeit e.V. (DIS) [German Institution for Arbitration] in Nuremberg, Germany, and in the English language.
- 10.5** If any provision contained in these conditions is or becomes invalid or ineffective, the remainder of these conditions shall not be affected thereby.