



General Terms of Delivery for Products and Services of the Electrical Industry

of INOTEC Sicherheitstechnik GmbH

I. General Provisions

The following terms shall apply to deliveries of the supplier. Adverse terms or terms deferring from these terms of the supplier will not be valid, unless expressly accepted in writing by the supplier. The terms below will be valid even in the event that the supplier carries out delivery to the purchaser, knowing that the purchaser's terms of delivery are adverse or different from the terms of the supplier

II. Volume of Delivery or Service

1. Mutual written declarations are necessary to determine the volume of the delivery or services. If a contract has been made without such mutual declarations, either the written confirmation of the order by the supplier of the goods or services (hereafter called: the supplier), or, if there is no such confirmation, the written order of the purchaser is necessary.

2. Protective equipment will be included in the delivery, if it is required by law or expressly agreed upon.

3. All deliveries or services delivered will be subject to the regulations of the German Association of Electricians (Verband Deutscher Elektrotechniker) that refer to the safety of deliveries or services. Deviations are permissible if the safety is guaranteed otherwise

4. The supplier shall have unlimited property rights and copyrights for all estimates, drawings and other documents; they shall only be passed on to third parties with the supplier's previous consent. Drawings and other documents included in the offers shall be returned to the supplier immediately upon his request, if the order is not placed with the supplier. Phrases 1 and 2 shall apply in accordance with the purchaser's documents; however, they may be made accessible to those third parties that were charged with delivering goods or services

III. Prices

1. Prices are quoted upon delivery excluding installation or mounting ex-works, excluding packing.

2. If the supplier carries out the installation or mounting and if nothing to the contrary is set forth, the purchaser shall pay all requisite incidental expenses such as travel expenses, costs for transporting hand tools and personal luggage and field allowance in addition to the remuneration agreed upon.

3. If no binding order quantity has been agreed, the calculation of the supplier will be based on the non-binding order quantity expected by the purchaser.

If the order quantity by the purchaser is lower than the expected quantity the supplier is entitled to increase the unit price by an appropriate amount.

Unless otherwise agreed, for delivery contracts on call, the purchaser must be informed of binding quantities by call at least 4 weeks prior to the delivery date.

IV. Reservation of Ownership

1. The supplier shall reserve the right of ownership of the delivered goods until all claims arising from the business relationship have been satisfied. The purchaser shall handle the goods adequately, in particular he shall insure them for their replacement value at his own expense against damage caused by fire or water and theft. Necessary maintenance work and inspections shall be carried out at the purchaser's expense. In the event of seizures and access of third parties, the purchaser shall notify the supplier immediately



2. The purchaser shall be entitled to resell the goods in the normal course of business under reservation of ownership. At this point, he shall already assign all of his claims against his purchasers or third parties to the supplier to the value of the final invoice amount (VAT included). The supplier shall be entitled to collect the assigned debts even after the assignment. The authority of the supplier to collect the debts himself shall remain unaffected.

However, the supplier's authority to collect the debt shall not commence before the purchaser falls into arrears or in particular does not apply for opening of insolvency proceedings.

3. In case of processing with outside items that do not belong to the supplier, the purchaser shall be entitled to the ownership share in the new item in proportion of the invoice value of the reserved goods to the other items at the time of processing.

If the processing is done in such a way that the items of the purchaser can be regarded as the main item, the purchaser shall grant the supplier a respective ownership share. The so created new sole or shared property shall be kept in the purchaser's custody for the supplier..

4. In so far as the realistic value of the securities of the supplier exceeds the claims to be secured by more than 20%, the supplier shall undertake to release the existing securities on demand by the purchaser..

5. Retrieval of the goods or putting forward a claim concerning reservation of ownership due to default in payment means to nullify the contract, unless the supplier made other stipulations.

6. In the case of breaches of contract, other than delay in payment, especially when the items sold are at risk due to breaches of duty of the purchaser, the supplier will be entitled to take back the sold items even without nullifying the contract.

V. Terms of Payment

1. All payment shall be effected without any additional costs at the place of payment of the supplier.

2. Should the purchaser get into arrears, the supplier shall be entitled to charge default interest of 8% above the respective basic interest rate p.a. The supplier shall reserve the right to claim compensation for more serious defects or damages.

3. Retention or set-off of counter-claims shall only be possible, if these counter-claims have been recognised or determined to be final and conclusive.

VI. Deadlines for the delivery of good or services

1. The deadline for the delivery of goods or services shall be determined in mutual written declarations, in accordance with paragraph I, 1 phrase 2. The prerequisites for the keeping of delivery deadlines are the timely receipt of all documentation, permits and timely clearances of the schedules, keeping of the terms of payment and other obligations by the purchaser. Otherwise the delivery deadline shall be extended by a reasonable period of time.

2. The deadline shall be deemed to have been observed

a) for deliveries not including installation or mounting, if the delivery has been dispatched or picked up within the agreed delivery and supply deadline. If dispatch or collection is delayed for reasons that are the responsibility of the purchaser, the deadline shall be regarded as being kept after notification of the readiness for dispatch within the agreed deadline;

b) for deliveries including installation or mounting, when this has been done within the agreed deadline period.

3.

a) In case of official action, war, riots, strike, industrial disputes or the occurrence of similar incidents, which provably interfere with the ability of the supplier to deliver, the delivery deadline for the goods or services will be extended by a reasonable period of time.

b) the purchaser may claim compensation for delay in delivery by the supplier - if he can prove that damage resulted from that delay- of 05.% for each completed delayed week up to a maximum of 5% of the price for that part of the delivery that could not be used for the agreed purpose due to the delay.

c) Compensation claims by the purchaser due to delay in delivery or compensation as a replacement for the service that go beyond the provisions made in



b) shall be ruled out in all cases of delayed delivery, even after expiry of any deadline set to the supplier to effect delivery within the scope of XII. The above provisions shall not involve a change in the burden of proof to the detriment of the purchaser.

d) The purchaser shall undertake, upon request by the supplier, to state within a reasonable period of time whether he wishes to rescind the contract or insist on the delivery due to the delay in delivery.

e) If, upon request by the purchaser, dispatch or delivery is delayed by over a month after notification of readiness to dispatch, the purchaser can be charged a storage fee of 0.5% of the price of the goods up to a maximum total of 5%. The parties to the contract shall have the right to prove that storage costs were higher or lower.

VII. Passing of Risk

A.

The risk shall pass to the purchaser, even if delivery carriage paid was agreed upon:

a) for delivery excluding installation or mounting, if the ready-to-use consignment is ready for dispatch or has been picked up. Packing is done with utmost care. Dispatch shall be effected at the discretion of the supplier. Upon request and at the charge of the purchaser, the consignment shall be insured against breakage, transport damage and fire.

b) for delivery including installation and mounting on the day of acceptance in his own company after a faultless test run, if one has been agreed upon. The precondition shall be that the test run or the acceptance in his own company is done immediately after installing and being ready-for-operation or mounting. If the purchaser refuses the offer to carry out a test run or to accept the goods in his own company, the risk for the period of delay will pass onto the purchaser 14 days following this offer.

c) If dispatch, servicing, the beginning or the carrying out of the installation or mounting is delayed upon request by the purchaser or due to reasons that he is responsible for, the risk for the time of delay shall pass on to the purchaser: however, the supplier shall be obliged to insure the goods upon the request and at the expense of the purchaser.

VIII. Installation and Mounting

A.

The following provision shall apply for all installation and mounting work, unless stipulated otherwise in writing:

a) The purchaser shall be charged for and shall provide:

aa) assisting staff such as unskilled workers and if required, bricklayers, joiners, mechanics, crane operators, or other skilled workers and the necessary tools in the required number;

bb) all earthwork, concrete work, building work, scaffolding, plastering, mortising, painting and other additional work, including the necessary construction materials;

cc) the tools, items and materials required for that work, such as wood for scaffolding, blocks, supports, cement, plastering and sealing material, lubricants, fuels etc.; also scaffolds, lifting jacks and other equipment;

dd) energy and water, including the required connections up to the place of use, heating and general lighting;

ee) sufficiently dimensioned and appropriate dry and lockable places for the storage of machine parts, devices, materials, tools etc. and appropriate workplaces and break areas for the mounting staff, including appropriate sanitary facilities; in addition the purchaser shall take the same appropriate measures to ensure protection of the property of the supplier and mounting staff at the building site that he would take to protect his own property.

ff) protective clothing and devices required due to particular conditions at the place of mounting and that are not part of the usual equipment of the supplier.

b) Prior to the start of the mounting work the purchaser shall, without being asked, provide the necessary details on the position of hidden electricity, gas, water lines or other facilities as well as the required static information.



c) Prior to installing or mounting, the delivered parts that are required for that work have to be at the place of mounting and all work done by bricklayers, joiners and others has to be so advanced, that installation or mounting can be done immediately after the arrival of the installing or mounting staff and can be carried out without interruptions. In particular, access to the place of installation or mounting has to be level, plain and cleared, the foundation brickwork has to be firm and dry, the foundation walls straight and filled, in the event of interior installation, wall and ceiling plastering has to be completed and all doors and windows have to be mounted.

d) If there is a delay due to delayed installation, mounting or commissioning caused by circumstances beyond the supplier's ability, the purchaser shall, to an appropriate extent, bear the costs for the waiting time and the additionally required travel of the supplier or his mounting staff

e) The purchaser shall document the working time of the installing or mounting personnel in weekly work forms. The purchaser shall also provide a written certificate on the termination of the installation or mounting work to the mounting staff immediately after completion of the work.

f) The supplier shall not be liable for work done by his installing or mounting staff and other workers, if this work is not included in the delivery volume or the installation and mounting work or has been arranged by the purchaser.

B.

If the supplier has taken over the installation or mounting work separately, the following provisions shall apply in addition to A:

1. The purchaser will pay the supplier the agreed charges for working hours and surcharges for additional, night, Sunday, and holiday hours, for work in special adverse conditions, as well as for planning and supervision. Time for preparatory travel, running times and feedback is deemed to be working time.

2. Furthermore, the following charges will be paid separately:

- a) Travel expenses, charges for the transport of tools and the personal luggage;
- b) Field allowance incurred for working hours as well as rest and holidays..

IX.

Acceptance

1. The purchaser shall not refuse acceptance of a delivery due to minor defects.

2. Part deliveries shall be admissible, if this can be reasonably expected of the purchaser.

X.

Liability for defects

The supplier shall be liable for defects that are apparent at the time of passing the risk as follows:

1. The supplier has to be notified in writing about defects immediately after reception of the delivery, in the event of hidden defects immediately after discovery. This shall also apply to a recall by the purchaser to Sections 478 and 479 of the German Civil Code (BGB).

2. As to subsequent fulfilment, the supplier may choose to remedy defects, to effect a new delivery or render the service again for all those parts or services showing signs of defects within the statutory period of limitation. If the supplier is not given this possibility, he will be released from subsequent fulfilment and other claims for defects.

3. Should this subsequent fulfilment not be effected within the statutory period of limitation, the purchaser shall be entitled to claim compensation instead of the delivery or service and/or to rescind the contract or to reasonably reduce the purchase price. No statutory period of limitation will be required if the supplier has totally refused subsequent fulfilment or attempts to fulfil have failed more than three times. Any warranty claims other than those mentioned above shall be excluded subject to number XII.

4. Warranty claims shall not be permitted in case of only slight deviations in the stipulated condition, slight impairment of usability, natural wear or in case of damage arising after the passing of the risk through incorrect or negligent handling, the use of unsuitable production equipment and facilities or due to external influences not foreseen in the contract as well as through modifications or repairs not being carried out in



the appropriate manner and servicing not being carried out in the proper manner as prescribed in the operating instructions by the purchaser or a third party.

5. Claims by the purchaser regarding the expenses made necessary for the purpose of subsequent fulfilment, in particular costs of transport, labour and materials are ruled out in so far as the expenses increase due to the item of the delivery being taken to a site other than the branch office of the purchaser, unless this subsequent transfer corresponds to its contractual use. 6. Claims under a right of recourse of the purchaser against the supplier pursuant to § 478 of the German Civil Code shall only exist in so far as the purchaser has not concluded any agreements beyond the scope of the statutory deficiency claims with his purchaser. For the extent of the claim under a right of recourse by the purchaser against the supplier, X. 4. shall apply accordingly.

7. If single delivered items are resold directly to the consumer by the purchaser pursuant to § 13 of the German Civil Code, the purchaser may raise claims for defects against the supplier on the following conditions:

- If in the case of material defects the consumer claims some kind of subsequent fulfilment that the purchaser may refuse pursuant to § 439 section 3 of the German Civil Code, the purchaser shall avail himself of that right to refuse. If he omits to do so, the purchaser shall bear the incurring extra charges himself. - If the consumer is justified in demanding delivery of a new product or damages in lieu of the entire performance or if it is justified in rescinding the contract, the purchaser is obliged to demand the compensation for any benefits obtained by the consumer. - If the purchaser makes use of his recourse claim against the supplier and if the consumer has returned the goods to him, he has to give the supplier the opportunity of checking the reported defect. This is done by returning the goods for inspection to the supplier on the supplier's request. - If, as a consequence of justified claims for compensation of defects, the supplier carries out remedy repairs, compensation will be done in such a way that the supplier shall compensate for the expenses in accordance with his contractual provisions on warranty claims.

8. Compensation claims for defects of the purchaser shall become statute-barred after 12 months. This shall not apply in so far as compulsory longer periods are prescribed by law in § 438 section 1 no. 2 (buildings and items for buildings), § 479 (recourse claim) and § 634 a section 1 no. 2 (defects in buildings) of the German Civil Code and in cases of injury to life, body or health, and in case of a wilful or grossly negligent breach of duty by the supplier as well as in case of malicious non-disclosure of a fault. The legal provisions on expiration impediments, impediments and new beginning of deadlines will remain unaffected.

XI.

Impossibility to deliver, adaptation of contract

1. If the supplier refuses to deliver, because delivery was already impossible at the time the contract was made or required expenses were disproportionately higher than the performance interest of the purchaser, the supplier shall compensate the purchaser instead of delivering even in cases when he is not responsible of the delay. This shall not apply, if the supplier did not know of the impossibility to deliver or if he could not have known. The claim for damages shall be limited to 10% of the value of that part of the delivery that cannot be properly processed or operated due to the impossibility to deliver.

2. If the impossibility or the disproportional expense of performance happens only after the contract has been made, the supplier shall be liable to pay compensation, unless this event could be foreseen or avoided.

3. Liability to pay compensation instead of performing shall be excluded, subject to number XII.

XII.

Other Compensation Claims

1. Compensation claims and claims for reimbursement of expenses by the purchaser (called compensations claims below), regardless for what legal reasons, particularly for breach of duty under the law of obligations and for unauthorised action, shall be excluded.

2. This shall not apply in cases where liability is compulsory, e.g. in accordance with the product liability act, in cases of wrongful intent or gross negligence, for injury to life, body or health or due to malicious non-disclosure of a defect or material breach of contract. Compensation for a material breach of contract shall, however, be limited to the foreseeable damage in standard contracts, except in the case of liability for wrongful intent or gross negligence or due to injury to life, body or health. The above provisions shall not involve a change in the burden of proof to the detriment of the purchaser.



3. If the purchaser shall be entitled to receive compensation for damage from this paragraph, this claim will become statute-barred after the limitation period for the liability for material defects has elapsed in accordance with number IX. The legal limitation periods shall apply for compensation claims pursuant to the product liability law.

XIII.

Place of jurisdiction

1. If the purchaser is a professional businessman, the place of jurisdiction for all disputes arising from or in connection with the contractual relationship shall be the legal place of business or the branch of the supplier.

2. German law will be applied on all contractual business matters.

XIV.

Validity of Contract

Even if individual provisions of the contract are or become ineffective, the remaining parts of the contract shall remain unaffected, unless holding onto the contract would constitute an unreasonable hardship for one of the parties.

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