

This is the English translation of the German "Allgemeine Geschäftsbedingungen AGB" per ZVEI [German Electrical and Electronic Manufacturers' Association], as of June 2011.

Please note that the German text alone is legally binding.

You can find the German version on our Homepage www.scheurich-gmbh.de.

General terms of delivery for products and services of the electrical industry ("Green Terms of Delivery" - GL) for use in business dealings with companies*

I. General provisions

1. For the legal relationships between supplier and customer in connection with the deliveries and/or services of the supplier (hereinafter: deliveries) only these GL apply.

General terms and conditions of the customer are only valid insofar as the supplier has expressly agreed to them in writing.

The scope of deliveries shall be determined by the mutually agreed written declarations.

2. Estimates, drawings and other documents (hereinafter: documents), the supplier reserves its ownership and copyright exploitation rights without restriction.

The documents may only be made accessible to third parties with the prior consent of the supplier and, if the order is not placed with the supplier, must be returned immediately upon request.

Sentences 1 and 2 apply accordingly to documents of the customer; however, these may be made available to third parties to whom the supplier has legitimately transferred deliveries.

3. For standard software and firmware, the customer has the non-exclusive right to use the agreed features in unaltered form on the agreed devices.

The customer may create a backup copy of the standard software without express agreement.

4. Partial deliveries are permissible insofar as they are reasonable for the customer.

5. The term "claims for damages" in these GL also includes claims for reimbursement of expenses incurred in vain.

II. Prices, terms of payment and offsetting

1. The prices are ex works exclusive of packaging plus applicable VAT.

2. If the supplier has taken over the installation or assembly, and if nothing else has been agreed upon, the customer shall pay all necessary ancillary costs, such as travel and transport costs as well as trips, in addition to the agreed remuneration.

3. Payments must be made free of charge to the paying agent of the supplier.

4. The customer may only offset claims that are undisputed or legally binding.

III. Retention of title

1. The delivered goods (reserved goods) remain the property of the supplier until the fulfilment of all claims against the customer arising from the business relationship.

Insofar as the value of all security interests to which the supplier is entitled exceeds the amount of all secured claims by more than 20%, the supplier shall release a corresponding part of the security rights upon the request of the customer; the supplier is entitled to choose between different security interests.

2. During the existence of the retention of title, the customer is prohibited from pledging or transferring security and reselling only to resellers in the ordinary course of business and only under the condition that the reseller receives payment from its customer or makes the reservation that ownership of the customer will only be transferred if it has fulfilled its payment obligations.

3. If the customer resells the goods subject to retention of title, it hereby assigns to the supplier its future claims from the resale against its customers with all ancillary rights - including any balance receivables - without further special explanations.

If the goods subject to retention of title are resold together with other objects without a single price being agreed for the goods subject to retention of title, the customer assigns to the supplier the part of the total price claim which corresponds to the price of the reserved goods invoiced by the supplier.

4. a) The customer is permitted to process the reserved goods or to mix or combine them with other objects. Processing takes place for the supplier.

The customer shall store the resulting new item for the supplier with the care of a diligent business person.

The new item is regarded as reserved goods.

b) The supplier and customer hereby agree that if the goods are combined or mixed with other items not belonging to the supplier, the supplier will in any case have co-ownership of the new item in proportion to the share resulting from the relationship between the value of the goods or mixed retained goods to the value of the remaining goods at the time of combination or mixing.

The new item is deemed reserved goods.

c) The regulation on the assignment of claims as per no. 3 also applies to the new item.

However, the assignment shall only apply up to the amount corresponding to the value invoiced by the supplier for the processed, combined or mixed reserved goods.

d) If the customer combines the reserved goods with land or movable property, it shall, without further special declarations, also assign its claim to which it is entitled to as remuneration out of the combination, with all ancillary rights, as security to the supplier, in the amount of the ratio of the value of the related goods subject to retention of title to the other combined goods at the time of the combination.

5. Until further notice, the customer is entitled to collect assigned claims from the resale.

In the event of good cause, in particular in case of late payment, cessation of payments, opening of insolvency proceedings, protest of a bill or justified indications of over-indebtedness or impending insolvency of the customer, the supplier is entitled to revoke the direct debit authorisation of the customer.

In addition, the supplier may, after prior warning, disclose the assignment of security within a reasonable period, to utilise the assigned claims as well as to demand the disclosure of the security assignment by the customer to its customer.

6. In the case of seizures, confiscations or other dispositions or interventions by third parties, the customer must inform the supplier immediately.

Following authentication of a legitimate interest, the customer must immediately provide the supplier with the information required to assert its rights against the customer and provide the necessary documents.

7. In the event of breaches of duty by the customer, in particular in case of late payment, the supplier is entitled to withdraw from the contract after the unsuccessful expiry of a reasonable deadline set for the customer in addition to the taking back on the goods; the statutory provisions on the dispensability of a deadline remain unaffected.

The customer is obligated to the surrender.

The withdrawal or assertion of the retention of title or the seizure of the reserved goods by the supplier does not constitute a withdrawal from the contract, unless the supplier has expressly stated this.

IV. Delivery deadlines; delay

1. The observance of delivery deadlines assumes the timely receipt of all documents, necessary approvals and releases, in particular of plans, which must be supplied by the customer, as well as the adherence to the agreed conditions of payment and other obligations by the customer. If these conditions are not fulfilled in time, the deadlines will be extended accordingly; this does not apply if the supplier is responsible for the delay.

2. Failure to meet the deadlines is due to

a) force majeure, e.g. mobilisation, war, acts of terror, riot, or similar events (e.g., strike, lockout),

b) viruses and other attacks by third parties on the IT system of the supplier, insofar as these were carried out despite the usual care taken in protective measures,

c) obstacles due to German, US and other applicable national, EU or international regulations under foreign trade law or due to other circumstances for which the supplier is not responsible, or

d) failure to deliver to the supplier on time or on a regular basis, the deadlines shall be extended appropriately.

3. If the supplier is in default, the customer may - provided it can credibly establish that it has thereby incurred damage - demand compensation for each completed week of default of 0.5%, but not more than 5% of the price for the part of deliveries, which could not be used expediently due to the delay.

4. Both claims for damages of the customer due to delay in delivery and claims for damages in place of performance, which go beyond the limits specified in No. 3, are excluded in all cases of delayed delivery, even after expiry of a delivery period set by the supplier.

This does not apply in cases of intent, gross negligence or injury to life, limb or health.

The customer may only withdraw from the contract within the scope of the statutory provisions, insofar as the delay in delivery is the responsibility of the supplier.

A change in the burden of proof to the detriment of the customer is not connected with the above regulations.

5. The customer is obliged, at the request of the supplier, to declare within a reasonable period of time whether it will withdraw from the contract due to the delay in delivery or if it will insist upon the delivery.

6. If shipping or delivery is delayed by more than one month after notification of readiness for despatch at the request of the customer, the customer may be charged storage fees amounting to 0.5% of the price of the delivered goods for each additional month started, up to a maximum of 5%. The proof of higher or lower storage costs to the contracting parties remains unaffected.

V. Transfer of risk

1. The risk also passes to the customer in the case of freight-free delivery as follows:

a) in the case of delivery without installation or assembly, if it has been brought for shipment or has been picked up.

Upon the request and expense of the customer, the delivery shall be insured by the supplier against the usual transport risks;

b) upon delivery with installation or assembly on the day of acceptance in own operation or, if agreed, after successful trial operation.

2. If the dispatch, delivery, launch, implementation of the installation or assembly, takeover under own operation or trial operation, for reasons for which the customer is responsible, is delayed or the customer is in default of acceptance for other reasons, the risk shall pass to the customer.

VI. Installation and assembly

Unless otherwise agreed in writing, the following provisions apply to installation and assembly:

1. The customer must take over at its expense and duly provide:

a) all ancillary, construction and other external activities, including the necessary auxiliary and auxiliary personnel, building materials and tools,

b) the goods and materials required for assembly and commissioning, such as scaffolding, hoists and other equipment, fuels and lubricants,

c) Energy and water at the point of use including connections, heating and lighting,

d) at the assembly point for the storage of the machine parts, equipment, materials, tools, etc., sufficiently large, suitable, dry and lockable rooms and work rooms and lounges adequate for the assembly personnel, including sanitary facilities appropriate to the circumstances; moreover, in order to protect the possession of the supplier and the assembly personnel on site, the customer must take the measures which it would take to protect its own property,

e) protective clothing and protective equipment required as a result of special circumstances of the installation site.

Prior to the start of the assembly work, the customer must provide the necessary information on the position of concealed power, gas, water pipes or similar systems as well as the required structural load data without being requested.

2. Before commencing installation or assembly, the equipment and objects required to commence the work must be at the installation or assembly point and all preparatory work must have progressed to the point

where the installation or assembly commences as agreed and can be carried out without interruption.

Access routes and the place of installation or assembly must be levelled and cleared.

3. If the installation, assembly or commissioning is delayed due to circumstances for which the supplier is not responsible, the customer shall bear the costs for the waiting period and any additional travel required by the supplier or assembly personnel to an appropriate extent.

4. The customer must certify to the supplier the duration of the working time of the assembly personnel as well as the completion of the installation, assembly or commissioning without delay.

5. If the supplier demands the acceptance of the delivery after completion, the customer must do so within two weeks.

Acceptance shall be deemed as made if the customer allows the two-week period to elapse, or if the delivery - possibly after the conclusion of an agreed test phase - has been put into use.

VII. Receipt

The customer may not refuse to accept deliveries due to insignificant defects.

VIII. Material defects

For material defects, the supplier is liable as follows:

1. All parts or services shall be repaired, re-delivered or re-performed free of charge at the discretion of the supplier, provided that their cause existed already at the time of the transfer of risk.

2. Claims for supplementary performance are barred by statute 12 months from the statutory limitation period; the same applies to withdrawal and reduction.

This period does not apply if the law as per §§ 438, para. 1, no. 2 (Buildings and property for buildings), 479 para. 1 (Right of recourse) and 634a, para. 1, no. 2 (Construction defects) Civil Code prescribes longer periods, with intention, malicious concealment of the lack as well as non-compliance with a quality guarantee.

The legal regulations regarding cessation of proceedings, suspension and resetting of the deadlines remain unaffected.

3. Complaints by the customer must be made immediately in writing.

4. In the case of notice of defects, payments by the customer may be retained to an extent that is in reasonable proportion to the material defects that have occurred.

The customer may withhold payments only if a notice of defect is asserted, upon which there is no doubt about their justification.

A right of retention of the customer does not exist if its warranty claims have lapsed. If the notice of defect is incorrectly made, the supplier is entitled to demand compensation for expenses incurred by the customer.

- 5.** The supplier shall be granted the opportunity of supplementary performance within a reasonable period.
- 6.** If the supplementary performance fails, the customer may - notwithstanding any claims for damages as per No. 10 - withdraw from the contract or reduce the remuneration.
- 7.** There shall be no claims for defects in the event of insignificant deviation from the agreed quality, in the event of only insignificant impairment of usability, natural wear or damage arising after the transfer of risk as a result of incorrect or negligent handling, excessive use, unsuitable equipment, defective construction work, unsuitable subsoil or due to special external influences that are not required by the contract, as well as non-reproducible software defects.

If changes or repairs are made by the customer or by third parties, no claims for defects can be made therefrom or the consequences arising therefrom.

8. Claims by the customer for the expenses required for the purpose of supplementary performance, in particular transport, travel, labour and material costs, are excluded insofar as the expenses increase, since the object of the delivery has subsequently been moved to a location other than the customer's place of business unless the shipment complies with its intended use.

9. Claims for recourse of the customer against the supplier in accordance with § 478 Civil Code (recourse of the company) exist only to the extent that the customer has not made any agreements with its customer in excess of the statutory warranty claims.

For the scope of the right of recourse of the customer against the supplier as per § 478, para.

2 Civil Code, No. 8 also applies accordingly.

10. Claims for damages of the customer due to a material defect are excluded.

This shall not apply to fraudulent concealment of the defect, failure to comply with a quality guarantee, injury to life, limb or health and intentional or grossly negligent breach of duty by the supplier.

A change in the burden of proof to the detriment of the customer is not connected with the above regulations. Further or other claims of the customer, other than those regulated in this Art. VIII, due to a material defect are hereby excluded.

IX. Industrial property rights and copyrights; defects in title

1. Unless otherwise agreed, the supplier is obliged to provide the delivery only in the country of delivery free of industrial property rights and copyrights of third parties (hereinafter: property rights).

Insofar as a third party makes legitimate claims against the customer due to the infringement of property rights by deliveries made by the supplier and used in accordance with the contract, the supplier is liable to the customer within the period specified in Art. VIII No. 2 as follows:

a) The supplier shall, at its option, either obtain a right of use for the deliveries concerned at its own expense, modify them so that the property right is not violated, or exchange them.

If this is not possible for the supplier on reasonable terms, the customer is entitled to the statutory right of withdrawal or reduction.

b) The supplier's obligation to pay damages is governed by Art. XII.

c) The above-mentioned obligations of the supplier exist only if the customer informs the supplier of the claims asserted by the third party immediately in writing, does not recognise any infringements and reserves all defensive measures and settlement negotiations to the supplier.

If the customer suspends the use of the delivery for reasons of mitigation or other important reasons, it is obliged to inform the third party that the cessation of use does not constitute an acknowledgment of an infringement of property rights.

2. Claims of the customer are excluded insofar as it is responsible for the infringement of property rights.

3. Claims of the customer are also excluded insofar as the infringement of property rights is caused by special requirements of the customer, by an application not foreseeable by the supplier or by the customer changing the order or using it together with products not provided by the supplier.

4. In the case of violations of property rights, the provisions of Art. VIII No. 4, 5 and 9 shall apply accordingly to the claims of the customer regulated under No. 1 a).

5. In the case of other legal defects, the provisions of Art. VIII shall apply accordingly.

6. Further or other claims of the customer against the supplier and its vicarious agents as regulated in this Art. IX due to a defect in title are hereby excluded.

X. Reserve fulfilment

1. The contract fulfilment is subject to the proviso that there are no impediments arising from German, US or other applicable national, EU or international regulations of foreign trade law as well as no embargoes or other sanctions.
2. The customer is obliged to provide all information and documents required for export, shipment and/or import.

XI. Impossibility, contract adjustment

1. If delivery is not possible, the customer is entitled to demand compensation, unless the supplier is not responsible for the impossibility.

However, the claim for damages of the customer is limited to 10% of the value of the part of the delivery which can not be duly used because of the impossibility.

This limitation does not apply in cases of wilful misconduct, gross negligence or injury to life, limb or health; a change in the burden of proof to the detriment of the customer is not connected with this. The right of the customer to withdraw from the contract remains unaffected.

2. Insofar as events within the meaning of Art. IV no. 2 a) to c) significantly change the economic significance or the content of the delivery or have a significant effect on the supplier's business, the contract shall be adjusted appropriately in good faith.

Insofar as this is not economically justifiable, the supplier has the right to withdraw from the contract.

The same applies if required export licenses are not granted or unusable.

If it wishes to make use of this right of withdrawal, it must notify the customer immediately after recognising the consequences of the event, even if an extension of the delivery time was initially agreed with the customer.

XII. Other claims for damages

1. Unless otherwise stipulated in these terms and conditions, claims for damages on the part of the customer shall be excluded, regardless of the legal reason, in particular for breach of obligations arising from the contractual relationship and from unauthorised acts.

2. This does not apply if the following is adhered to:

- a) according to product liability law,
- b) in the case of intent,
- c) in case of gross negligence of owners, legal representatives or executives,
- d) in case of malice,
- e) failure to comply with an accepted warranty,
- f) for culpable injury to life, body or health, or
- g) for the culpable violation of essential contractual obligations. The claim for damages for the breach of essential contractual obligations, however, is limited to the contractually typical, foreseeable damage, unless another of the aforementioned cases exists.

3. A change in the burden of proof to the detriment of the customer is not connected with the above regulations.

XIII. Jurisdiction and applicable law

1. The sole place of jurisdiction, if the customer is a merchant, is the registered office of the supplier, for all disputes arising directly or indirectly from the contractual relationship.

However, the supplier is also entitled to sue at the customer's registered office.

2. This contract, including its interpretation, is governed by German law, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

XIV. Binding nature of the contract

The contract remains binding even in the case of legal ineffectiveness of individual provisions in its other parts.

This does not apply if the adherence to the contract would constitute an unreasonable hardship for a party.

* Non-binding conditions recommended by the ZVEI - Zentralverband Elektrotechnik- und Elektronikindustrie e.V.

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