

I. General

These Purchase Conditions shall apply to all orders placed by the Purchaser. They shall be deemed to have been accepted when the Vendor acknowledges or performs the order. This shall also apply if the Vendor states that deliveries are subject to his own conditions. Any other conditions and deviations from these Purchase Conditions shall not be binding unless agreed to by the Purchaser in writing.

II. Order and Order Acknowledgement

Orders shall be in writing. Oral agreements shall not be considered valid unless confirmed in writing.

Orders shall be acknowledged by the Vendor without delay, stating the Purchaser's reference number. For this purpose, the Purchaser's confirmation form enclosed with the order shall be used.

III. Delivery Dates and Penalty

If it becomes evident that delivery dates cannot be adhered to, the Vendor shall notify the Purchaser thereof in detail and in writing without delay. Such notice shall in no way prejudice the Purchaser's rights.

In case of delay in delivery the Vendor shall pay to the Purchaser a penalty amounting 1 % per completed week of delay, in the maximum not exceeding 5 %, each calculated as of the price of the delivery. The Purchaser shall be entitled to reserve the right to assert the penalty up to the time of final payment. Purchaser's further claims in view of delay shall be unaffected.

IV. Shipping Instructions and Dispatch Notes

The shipping documents shall be provided with the reference numbers specified by the Purchaser. The Vendor shall forward to the Purchaser, immediately after dispatch of the goods, 2 copies of the dispatch note stating the exact designation, the quantity, weight (gross and net), type and packing of the goods or articles concerned.

If the required shipping documents appertaining to a shipment are not forwarded in due time or if the above details are not stated in the shipping documents and dispatch notes, the goods shall be stored at the Vendor's cost and risk until receipt of the shipping documents or complete details.

V. Passing of Risk, Assistance by Purchaser

Risk of accidental loss or accidental deterioration up to the time of acceptance shall be borne by the Vendor. In case that Contractor does not fulfil his obligations in connection with the transport (f.i. the unloading of the deliveries) to the full extent, the Purchaser shall be entitled to claim from Contractor all the cost incurred by Purchaser thereby. There shall be no passing of risk earlier as laid down in these Conditions, if Purchaser assists the Contractor in fulfilling his obligations. The Purchaser shall only be liable for gross negligence and intentional acts.

VI. Acceptance and Inspection of Goods

In the case of force majeure, strikes and lock-outs, the Purchaser shall be entitled to postpone taking delivery.

Acceptance shall be made – in the ordinary course of business – immediately after receipt or commissioning provided the goods are in accordance with the contract. Statutory provisions resulting in deemed Acceptance shall be excluded. In case of excess quantities exceeding the limit customary in commerce, the Purchaser reserves the right to return the goods delivered in excess at the Vendor's expense.

Any obligation of Purchaser to inspect the goods shall be limited to the inspection without undue delay to the extent whether such delivered goods meet the ordered quantity and type and whether externally visible defects or damages resulting from transport exist. In case the Purchaser is obliged to inform the Vendor of defects without undue delay, the Purchaser shall be entitled to do so (i) in case of latent defects within two weeks and (ii) in case of other defects within one week, upon detection of the defect by Purchaser.

VII. Payment

To the exclusion of any statutory provision providing for an earlier due date (f.i. providing for down payments) payment shall be effected at the Purchaser's discretion on the 15th day of the following month with a trade discount of 3 % or within 90 days, calculated in each case from the day of receipt of the invoice and of all goods. The date of stamp of the mail department at the Purchaser's address expressly indicated on the order shall be regarded as the date of receipt of the invoice. However, payments shall not be due before the agreed delivery date. Payments shall be in cash or by bill of exchange, the discount charges and taxes to be borne by the Purchaser. The Purchaser shall only be in delay upon receipt of a reminder after the due date.

If the Purchaser makes a payment before the goods or the service are handed over, the Vendor shall undertake, at the Purchaser's choice, to furnish a guarantee to the extent of the payment and/or to transfer title to the goods to the Purchaser. Any down payments and intermediate payments shall not be construed to mean that the supplies and services are considered to be in accordance with the contract.

VIII. Safety Regulations

The Vendor shall observe the recognized rules of the art and specifically the rules and regulations relating to design, accident prevention and environmental protection issued in Germany by the legislator, supervisory authorities, the Industrial Accident Insurance and Industrial Safety Corporations and by the Association of German Electrical Engineers (VDE).

IX. Warranty

The period for notice of defects (warranty period) shall commence upon acceptance by Purchaser (the "Acceptance"). If commissioning takes place

later than the Acceptance, the warranty period shall commence with the day of commissioning. The warranty period shall be 3 years. In case of warranty

measures undertaken by Vendor, such as replacement or repair, the warranty period shall begin anew upon completion of such measures. Claims in view of defects shall be subject to a limitation period of 6 months upon expiry of the warranty period. Without prejudice to the statutory suspension (*Ablaufhemmung, Hemmung*) or renewal the warranty period as well as the limitation period shall be extended by the period of time during which the operation is interrupted because of defects. The warranty period as well as the limitation period shall not apply to the extent that any longer statutory limitation period will apply, f.i. under § 438 para (1) no. 2 (buildings and material for buildings), § 479 para (1) (claims for recourse) or § 634a para (1) no. 2 (defects in connection with buildings) of the German Civil Code (*Bürgerliches Gesetzbuch*).

In any case Purchaser shall have the option between repair and making anew. In emergency cases or if the Vendor fails to fulfill his obligations of warranty in due course, the Purchaser shall also be entitled to remedy such defects, to have them remedied or to procure a replacement, all at the expense of the Vendor. It shall be at the Purchaser's discretion to decide if and when an emergency exists. A repair shall be considered as non-successful (*Fehlschlagen*), if and when the first attempt to repair has not made good the defect.

X. Liability

Vendor shall hold harmless and indemnify Purchaser from all claims which may arise against the Purchaser because of deficiencies of a product delivered by the Vendor. Furthermore, Vendor shall hold harmless and indemnify Purchaser from and against all expenses and other cost incurred by Purchaser in connection with measures, necessary to prevent any non-contractual liability of Purchaser under German or foreign statutory laws (f.i. under the German Product Liability Act "Produkthaftungsgesetz"), in particular for warning or recall actions; however, this shall only apply to the extent that such measures are caused by a defective product delivered by Vendor.

In the others, Vendor shall be liable subject to the applicable law, without any limitation whatsoever as well.

XI. Industrial Rights

The Vendor shall be responsible for ensuring that the goods supplied are free from any rights of a third party. In the event of such industrial rights being infringed the Vendor shall indemnify the Purchaser during the term of validity of such industrial rights for any damage caused to the Purchaser or any third party by such infringement. In this case, the Purchaser shall also be entitled to obtain from the owner of such industrial rights, at the expense of the Vendor, the requisite licence for the supply, commissioning, use, resale, etc., of these goods.

XII. Secrecy – Drawings

The Vendor shall treat the Purchaser's orders and all commercial and technical details relating to them confidentially. Information provided by the Purchaser, drawings, etc., prepared by the Purchaser or by the Vendor on the basis of such information shall not be used for any other purpose without the written consent of the Purchaser.

Acceptance or approval of submitted drawings and samples by the Purchaser shall not relieve the Vendor from his exclusive liability for the service and goods.

XIII. Offsetting of Claims

The Purchaser shall be entitled to offset any claims he, ABB AG (Mannheim/Germany) or any of the companies in which the company ABB AG directly or indirectly holds the majority of shares may have against the Vendor, against all claims the Vendor may have against the Purchaser or any of the companies set out above. On Vendor's request the Purchaser shall hand over a list of such companies. The Vendor shall be entitled to offset only undisputed or finally adjudicated claims against the Purchaser's claims.

XIV. Assignment and Pledge

Any claims arising from this order may not be assigned, pledged or otherwise disposed of to third parties except by mutual agreement. If the Vendor has granted to his supplier in the ordinary course of business a so-called prolonged retention of title, the Purchaser's consent to the assignment of the receivable shall be deemed to have been given.

XV. Purchase of third party deliveries and works

The Vendor shall have the full responsibility for the deliveries and works of the third parties employed by Vendor therefor, whether Vendor has acted negligently or not (assumption of the full risk). The Vendor shall be liable for such deliveries and works in the same way as for his own deliveries/works; this shall apply in particular in view of defects. The third party employed by Vendor for such deliveries/works shall be Vendor's representative (*Erfüllungsgehilfe*).

XVI. Place of Performance, Applicable Law and Place of Jurisdiction

The place of performance for the deliveries shall be the nominated place of destination; in case there is no such nominated place as well as for payment the place of performance shall be the Purchaser's legal domicile.

Supplementary to these Purchase Conditions, the German Law excluding the rules of the UN-Convention on Contracts for the International Sale of Goods shall apply.

The sole place of jurisdiction for all litigation (including actions on bills of exchange) arising directly or indirectly in connection with this contract shall be Mannheim.

If any provision of this contract is or becomes void, the remaining part of this contract shall remain unaffected.