

General Standard Terms and Conditions

Engineering Consultancy Borst Automation, April 3rd, 2006

1 Subject matter of the contract

1.1 We shall provide the goods and/or services forming the subject matter of this contract in accordance with the written performance specifications accepted by you where appropriate taking into consideration amendments agreed in writing. Responsibility for selection of the subject matter of the contract, and for the results thereby intended, lies with you.

1.2 Where it is agreed that preliminary results of work carried out are to be submitted for approval, faults or errors must be reported by you without delay. The preliminary result shall be considered approved if you fail to indicate rejection of such results within two weeks, or do not indicate rejection of the improved version within two weeks of receipt of the same. By your approval of the preliminary result you acknowledge that the goods and/or services provided up to that point correspond to the performance specifications.

2 Restrictions of Use

2.1 For using our products or work in nuclear power plant applications, planes, in applications for the planning, construction, production or delivery of planes or parts thereof, for navigation, for the production of weapons of any kind and for medical applications which may lead to personal injury, written permission by us is required.

3 Passage of risk and dispatch in the case of hardware parts

3.1 Delivery is made to your account and at your risk. At the time of passing the goods to the freight forwarder, carrier or other transport organization, but at the latest when the goods leave the consignment store, the risk is passed to you. If dispatch is delayed on your request or for reasons beyond our scope of responsibility, passage of risk shall occur when the goods are indicated as being ready for dispatch.

3.2 Costs of dispatch, insurance, packaging and other ancillary costs are to be borne by you.

4 Reservation of title

4.1 We reserve right of title to the goods forming the subject matter of the contract until full discharge of all claims of remuneration from this contractual relationship. All changes of company location and involvement of third parties, as well as distraint orders and assignments, must be reported to us immediately. Where a distraint is entered, the distraint order must accompany the goods.

4.2 Prior to transfer of title, you are entitled neither to pledge the goods nor to transfer title to the goods by way of security to third parties. Where the subject matter of the contract is installed as a component part of a further assembly, we shall become proportional co-proprietors.

4.3 You also undertake to protect our property accordingly where the subject matter of this contract is intended not directly for you, but for third parties.

4.4 You may transfer title of the contract subject matter in the proper course of business, provided you are not in default in the fulfillment of your contractual obligations. You hereby assign to us at this stage your claims against third parties resulting from the further sale of the subject matter of the contract and/or any other claims for compensation for other legal reasons (e.g. third-party liability insurance claims) to the level of the outstanding purchase price. You will inform us on demand of the status of the re-assigned claims outstanding at all times. Insofar as you meet your payment obligations to us, you are entitled to recover the claims assigned to us on our account in your own name.

4.5 Insofar as we are entitled to exercise the reservation of title, you shall grant us irrevocable and unrestricted access to your business offices and/or factory premises for the purpose of collecting the said articles at normal business hours.

5 Right to use the subject matter

5.1 As far as not otherwise agreed in a license agreement for Software and as soon as we have received the full payment of the invoice, the non-exclusive right for the use of software is granted.

5.2 Without our prior written consent, you may neither transfer the right to use the subject matter to third parties nor grant sub-licenses nor submit the software to third parties nor make available in any other way. However, the first acquirer may make a one-time permanent transfer of the rights to use the software only direct to an end user. The transferee of such one-time transfer must agree to comply with the obligation not to further transfer the right to use.

6 Duties of the customer to cooperate and provide required goods and services

6.1 You furnish the individually agreed upon duties to cooperate and provide required goods and services as substantial contractual duty in the required quality and in accordance with the dates agreed upon.

6.2 You shall nominate a contact person entitled to represent you with full legal powers in all matters relating to the subject matter of the contract.

7 Alterations of performance

7.1 Where you intend to alter the performance, we will - where necessary, on special payment - check the feasibility of performing the desired alteration.

7.2 Insofar as the alterations increase the level of expenditure or place delivery dates at risk, we are entitled to claim an appropriate increase in remuneration and/or postponement of delivery or completion dates.

7.3 Insofar as any cause beyond the scope of our responsibility increases our expenditure or places delivery or completion dates at risk, we are entitled to claim an appropriate postponement of delivery or completion dates as well as the remuneration for the increased level of expenditure.

7.4 We shall assert claims immediately. Where we indicate a new level of remuneration or new delivery dates, these shall be considered as accepted if no written objection to them is made within two weeks.

8 Acceptance (only in case of contract for work or for the delivery of goods which have to be manufactured)

8.1 Acceptance is to be certified by you no later than 30 days after delivery of the subject matter of the contract.

8.2 The acceptance period is extended by any necessary time required for fault rectification where you have been impeded in testing the subject matter of the contract as a result of faults.

8.3 A report of the acceptance test shall be compiled, signed by you. If acceptance is not granted because the subject matter of the contract is not in substantial agreement with the contract, the reasons are to be set out in the acceptance test report.

8.4 If, for reasons beyond our scope of responsibility, acceptance is not confirmed within the specified period, such acceptance shall be considered granted.

8.5 Productive exploitation of the deliverables, irrespective whether fully or partially, is deemed to be equivalent to an explicit acceptance.

9 Travel costs and value added tax

Travel expenses shall be accounted for on the basis of applicable flat-rate amounts for tax purposes, or on submission of receipts, in accordance with the actual costs incurred. Automobile mileage will be rendered in account with Euro 0.62 per driven kilometer (km).

10 Value added tax and Payment terms

10.1 All amounts given in quotations shall be understood as being exclusive of statutory value added tax.

10.2 Remuneration due shall be invoiced to you at the agreed dates. If no dates are agreed, invoicing of goods and/or services provided shall occur monthly.

10.3 All invoiced amounts are payable 30 days after date of invoice, net terms only.

10.4 Only claims which are undisputed or legally binding may be offset and you can assert only for such claims a right for retention.

11 Claims in case of defects

11.1 The contract subject matter is free of defects, if at the moment of transfer of risk it shows the composition described in the product or performance description and is free of defects in title. Unless otherwise agreed, we are obliged to deliver the subject matter free of defects in title only in the country where the performance takes place.

11.2 The term within which you can assert your claims is one year as of delivery or as acceptance. Defects must be reproducible, or they must be indicated by computer output.

11.3 In case of a defect according to section 11.1 we have the choice to met your claims either by repair or by delivery of new goods. You may ask for reduction of the payment or of withdrawal from the contract if you given unsuccessfully a grace of at least three weeks for fulfillment or our attempts of repair or new delivery have failed at least three times. In case of the withdrawal you have to combine the setting of the term with the penalty of refusal.

11.4 Precondition for your claims is the proper handling and an adequate use of the products and a save and appropriate place. Your claim is terminated for work or products which you change or interfere with in some other way without our written permission. The same applies if products are handled improperly or in a way which is not conformant with the manual of the product or if the product was repaired by a third party in a way which is not conformant with the requirements for repair.

11.5 If the examination of a notice of defect shows that there is no defect, the costs for the examination will be charged at the valid hourly rates.

11.6 You are liable to provide us with the support necessary for removing the defect (error description, documents, testing times etc.).

12 Liability

12.1 We are liable - independently of the grounds - without limitations for intent and gross negligence as well as for damages caused by injury of life, of body or of health. The same applies for claims where the product liability law constitutes a liability as well as we have given a guarantee for the composition of the subject matter.

12.2 We are liable for slight negligence only insofar as an obligation is broken the obedience of which is of particular significance to the achievement of the aim of the contract (cardinal obligation). The liability is limited to five times the price stipulated in the contract and to those damages on whose emergence we have to reckon in the context of a typical contract.

12.3 Furthermore, we are liable within the framework of the legal regulations to the extent that damages are covered by our liability insurance.

12.4 Any additional claims for damages are excluded.

12.5 Your claims for damages - independently of the grounds - shall be time-barred 12 months after the damage becomes known.

13 Miscellaneous

13.1 The place of jurisdiction shall be Koblenz. The place of performance shall be Fachingen. German law shall apply.

13.2 Assignment of rights or transfer of obligations arising from the existing contract requires our prior written consent.