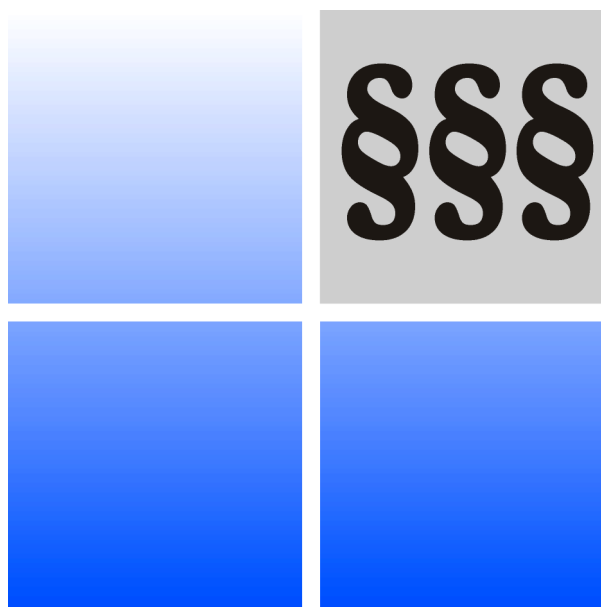




General Terms and Conditions of Purchase

of
CEAG Notlichtsysteme GmbH



GENERAL TERMS AND CONDITIONS OF PURCHASE OF CEAG NOTLICHTSYSTEME GMBH

I

General Terms

Only the Terms and Conditions set forth herein below apply to orders placed by CEAG Notlichtsysteme GmbH (hereinafter: CEAG). Opposing conditions or conditions deviating from these Terms and Conditions of CEAG, in particular Supplier's terms of delivery, shall not apply unless explicitly agreed to by CEAG in writing. The Terms and Conditions set forth herein below shall also apply if CEAG accepts Supplier's delivery without reservation although it has knowledge of Supplier's opposing conditions or of conditions deviating from those of CEAG. This also applies if Supplier indicates that it only wishes to effect delivery in accordance with its conditions.

II

Order and Order Confirmation

1. The written statements given by both parties govern the scope of the order. If a contract is entered into without any such written statements by both parties, CEAG's written order shall be binding. Orders must be confirmed by Supplier without delay, quoting the reference number. If Supplier fails to confirm CEAG's order within 14 days of receipt thereof, CEAG shall be entitled to cancel the order. CEAG's confirmation form enclosed with the order or any method of exchange or transmission of electronic data agreed between CEAG and Supplier shall be used to confirm the order. In this connection the statement must be given in written characters suitable for permanent reproduction, indicating the identity of the person giving the statement, and it must be obvious where the statement ends, either by showing a facsimile of the person's signature or by other means, for instance by the date of the statement or a complimentary ending (text form).
2. To be effective, alterations or additions to the order or the scope thereof must be approved by CEAG. Such approval must be given in writing or in text form.

III

Declaration by Supplier

A declaration by Supplier in accordance with the relevant EC Regulation respectively applying must be enclosed with each delivery in principle. A long-term declaration by Supplier applying for a term of one year may be used for master agreements. CEAG must be notified of any alterations to this in writing or in text form without delay and without any request to do so.

IV

Delivery Dates

1. Agreed delivery dates and periods are binding. Compliance with the delivery date or delivery period is determined by the date of receipt of the goods by CEAG or at any other location agreed between CEAG and Supplier in writing or in text form.
2. If non-compliance with the period for performing delivery or rendering the service by Supplier is provably due to mobilization, war, insurrection, strike, lock-out or the occurrence of other unforeseeable, similarly serious impediments as regards compliance with the delivery period, then the period shall be extended appropriately.
3. If Supplier is in default, CEAG may – provided that CEAG can credibly show that it has incurred damage as a result – demand compensation for each complete week of delay in an amount of 0.2 % per week of the price of that part of delivery which could not be put to pertinent use due to the delay, but not exceeding 2 % of the price thereof. CEAG's further rights on account of delayed delivery shall remain unaffected hereby.

4. If Supplier and CEAG agree on a contractual penalty on top of this lump sum, CEAG's right to rescind the contract and/or assert further claims shall also remain unaffected hereby. CEAG may demand the contractual penalty up to the time of the last payment, even if it accepted the delivery or service performed by Supplier without any special reservation.
5. If it becomes apparent that Supplier will be unable to meet the delivery dates, Supplier shall contact CEAG without delay. The rights to which CEAG is entitled on account of delayed delivery under the terms of the contract, these Terms and Conditions or by statute, shall not be restricted even if Supplier contacts CEAG in accordance with its aforementioned obligation.

V

Regulations on Dispatch and Notifications of Dispatch

1. The shipping documents have to show the reference numbers prescribed by CEAG (unless otherwise agreed these are as follows: CEAG order number, material and item no.). Notification of dispatch is to be sent to CEAG in duplicate as soon as the consignment is dispatched; this notification of dispatch must contain the following details: exact description, quantity, weight (gross and net weight), type and packaging of the goods. If CEAG and Supplier use electronic methods of communication, notification of dispatch with the aforementioned details shall be transmitted in text form.
2. If CEAG does not receive the notification of dispatch relating to a delivery in good time or if it does not contain the aforementioned details, the goods shall be stored at Supplier's expense and risk, until such time as CEAG receives the aforementioned details in full.
3. CEAG is a SLVS waiver customer (SLVS-Verzichtskunde). This means that the transport risk is insured by Supplier.

VI

Risk

The risk of accidental loss or deterioration of the goods is borne by Supplier until the goods are delivered to CEAG, or, in the case of performance of work requiring acceptance, until performance is accepted by CEAG.

VII

Receipt of Delivery and Formal Acceptance of Performance

1. In the event of excess delivery exceeding the amount customary in the trade, CEAG reserves the right to return, at Supplier's expense, the excess goods supplied.
2. In the case of mobilization, war, insurrection, strike, lock-out or the occurrence of other unforeseeable, similarly serious impediments as regards taking delivery, then CEAG has the right to delay taking delivery from Supplier accordingly.
3. Insofar as work requiring formal acceptance is being performed, acceptance shall be effected during the normal course of business immediately after receipt or initial start-up of the work.

VIII Payment

1. Unless otherwise agreed, payment, including Value Added Tax, shall be effected at CEAG's election either on 15th of the month following receipt of the invoice and full delivery of the goods, less 3 % discount, or 90 days after receipt of the invoice and full delivery of the goods. The date of receipt of the invoice shall be deemed to be the invoice date, provided that the invoice was sent to the address of CEAG indicated in CEAG's order. However the payment periods shall not start to run before the delivery date agreed upon.
2. Payment shall be effected by remittance or check.

IX Regulations on Protection

1. Supplier undertakes to comply with the recognized rules of technology and, in particular, with the specifications and regulations prescribed by the legislator, supervisory authorities, professional associations and the VDE (Association of German Electrotechnical Engineers) with regard to construction, accident prevention and environmental protection.
2. Supplier undertakes in particular to comply with the provisions of the German Act on Placing on the Market, Recovering and the Environmentally Compatible Disposal of Electric and Electronic Equipment (ElektroG) as amended and to ensure that the goods delivered do not contain any of the prohibited substances pursuant to Section 5 ElektroG as amended. If goods delivered should contain even only minor quantities of the following prohibited substances: lead, mercury, cadmium or hexavalent chrome, Supplier is obliged to notify CEAG hereof without delay in order to enable CEAG to comply with the requirements of the ElektroG, in particular of Section 5 ElektroG, as amended.

X Warranty

1. As soon as any defects in the delivery are established in accordance with the circumstances prevailing during the normal course of business, CEAG shall notify Supplier thereof immediately in writing or in text form, unless otherwise agreed, notably in quality assurance agreements in which CEAG is released from its obligation to examine the goods and give notification of defects as provided for in Section 377 German Commercial Code (HGB). Notification of defects is deemed to be punctual if it is received by Supplier within a period of five working days of gaining knowledge of the respective defect. To this extent Supplier waives the defense of delayed notification of defects.
2. CEAG has the right to demand that Supplier renders subsequent improvement, at CEAG's election either by rectifying the defect or supplying a defect-free replacement. In this event Supplier is obliged to pay for the expenses arising for the purpose of supplementary performance, in particular, carriage and labor costs and the cost of materials. If, due to the type or serious nature of a defect, the defect cannot be remedied within a period of time reasonably acceptable to CEAG even by supplying a defect-free replacement, CEAG has the right to reduce the purchase price or rescind the contract with immediate effect; in the case of defects which can be remedied, CEAG has the right to reduce the purchase price or rescind the contract after expiration to no avail of a reasonable extended deadline.
3. No deadline has to be set if Supplier has seriously and definitively refused subsequent improvement, if such subsequent improvement is abortive or the appointment of date is not reasonably acceptable to CEAG. Subsequent improvement is deemed to be abortive after the second unsuccessful attempt, unless something else derives from the type of product or the defect or the behavior of Supplier.

Nor does a deadline have to be set if, on account of a defect claimed by a consumer which defect already existed before the product was delivered to CEAG, CEAG had to take the product back as a result of the deficiency either from CEAG's customer in the delivery chain or directly from the consumer, or if the consumer reduced the purchase price.

XI Product Liability

1. Notwithstanding any liability by CEAG within the scope of product liability in its external relationship vis-à-vis third parties, the following shall apply to Supplier's liability in its relationship to CEAG: If or to the extent that a claim is asserted against CEAG on account of damage the cause of which lies within Supplier's organization and area of control, CEAG shall notify Supplier hereof immediately in writing or in text form. Supplier is entitled to participate in the legal defense against such third party at its own expense. At any event, Supplier shall provide CEAG, upon demand by CEAG, with a bank guarantee to secure CEAG's claims to indemnity or compensation from Supplier, the merits and the amount of which are credibly asserted by CEAG. If a claim is asserted against CEAG in its external relationship, in a manner binding on CEAG (notably by virtue of a judgment, acknowledgement or settlement), Supplier shall indemnify CEAG from liability or compensate CEAG for the amounts paid to third parties by CEAG. CEAG shall not acknowledge its liability vis-à-vis the third party or reach a settlement concerning its liability with the third party without consulting with Supplier. If CEAG and Supplier fail to reach agreement on a joint approach to acknowledging liability or a settlement within a reasonable period of time, CEAG shall be responsible for making respective declarations to the third party which will then form the basis for Supplier's liability.
2. Supplier is obliged to reimburse CEAG for any expenditure incurred on or in connection with recall action which CEAG conducts or conducted, to the extent that the cause of the recall action lies within Supplier's organization or domain of control.
3. If the responsibility for CEAG's liability within the scope of product liability vis-à-vis third parties lies within both Supplier's and CEAG's organization and domain of control, the scope of the liability in the parties' internal relationship shall be governed by the proportion of their respective responsibility by analogous application of Section 254 German Civil Code (BGB).
4. Supplier undertakes to maintain product liability insurance cover in a minimum amount of € 2.5 millions per personal injury/property damage claim – as a lump sum. CEAG remains entitled to assert claims for additional compensation against Supplier.

XII Industrial Property Rights

If or insofar as a third party asserts justified claims against CEAG on account of an infringement of industrial property rights by the contractual use of supplies or services rendered by Supplier, Supplier shall be liable to CEAG as follows:

Supplier shall, at its discretion and expense, either obtain a right to use the respective supplies or services, modify them so that they do not infringe the protective right or exchange them. If Supplier is unable to do so within a reasonable period of time to be stipulated by CEAG in writing or in text form, CEAG has the statutory right to either rescind the contract or reduce the purchase price. In lieu of such rescission or price reduction CEAG also has the right to procure, at Supplier's expense, the requisite permission from the owner of such protective rights to deliver, commission, use, resell etc. the supply or service. In the event of infringement of third party industrial property rights, Supplier's liability to compensate for damages shall be governed by the provisions of statute.

XIII Secrecy/Drawings

Supplier is obliged to treat in confidence CEAG's orders and all the commercial and technical details in connection therewith. Details disclosed by CEAG, drawings etc. prepared by CEAG or Supplier on the basis of such details, may only be otherwise used or exploited if CEAG has given its written approval. Supplier's sole responsibility is not affected by the delivery or approval of drawings and samples submitted by Supplier.

XIV Setoff

Supplier may only setoff such claims against CEAG which are undisputed or declared final and absolute by a court of law.

XV Assignment

The rights accruing from an order may only be assigned or transferred to third parties with the mutual agreement of the parties. CEAG's consent shall be deemed given if Supplier has granted its upstream supplier extended reservation of title in the normal course of business.

XVI Supplier's Subcontractors

Supplier is responsible for the choice of any subcontractor for the defect-free rendering of performance by such subcontractor to CEAG in accordance with statutory provisions. In particular, Supplier is unable to exclude its liability under these Terms and Conditions because it has no enforceable claim to recourse from its own suppliers.

XVII References

Supplier may only use CEAG as a reference given CEAG's written consent.

XVIII Place of Performance, Applicable Law, Jurisdiction and Venue

1. The place of performance is Soest, Germany.
2. In the event of all or any disputes arising from or in connection with the contractual relationship either directly or indirectly, the courts with jurisdiction at CEAG's or Supplier's head office, at CEAG's discretion, shall have exclusive jurisdiction if Supplier is a merchant.
3. This Agreement shall be bound by and construed in accordance with the laws of the Federal Republic of Germany at the exclusion of the United Nation's Convention of Contracts for the International sale of Goods.

XIX
Final Provisions

If one or several provisions contained in this Agreement should be or become ineffective or if the Agreement should have a gap, the parties shall agree on a provision to replace an ineffective provision or to complete a gap which approximates most closely the economic intentions pursued by the parties in entering into this Agreement. The effectiveness of the remaining provisions of the Agreement shall remain unaffected by any ineffectiveness of individual provisions and by the existence of a contractual gap.

Even if individual provisions of the contract should be legally ineffective, the remaining parts thereof shall be binding. This shall not apply if upholding the contract would constitute an unreasonable hardship for one party.

Version dated: January 01, 2007



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