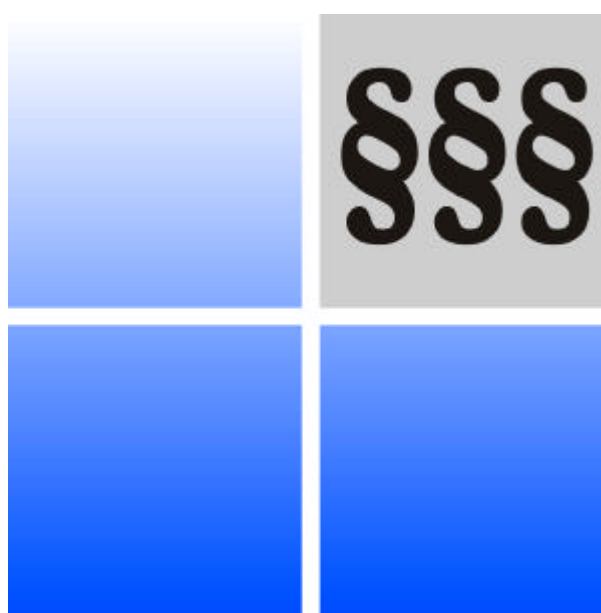




**General Terms and Conditions
of Supply
for Products and Services
in the Electrical Industry**

**of
CEAG Notlichtsysteme GmbH**



General Terms and Conditions of Supply
for Products and Services in the Electrical Industry

I
General Provisions

Only the Terms and Conditions set forth hereinbelow apply to deliveries from the supplier. Any terms and conditions conflicting with or deviating from the Terms and Conditions of the supplier shall not apply unless the supplier explicitly consents to the application thereof in writing. The Terms and Conditions set forth hereinbelow shall apply even if the supplier performs delivery to the purchaser without reservation notwithstanding its knowledge of terms and conditions of the purchaser conflicting with or deviating from these Terms and Conditions.

II
Scope of Delivery or Performance

1. The written declarations by both contracting parties shall be authoritative as regards the scope of delivery or performance. If a contract is entered into without any such reciprocal declarations, either the written order confirmation by the supplier or provider (hereinafter: Supplier) or, in the absence of such, the written order of the purchaser shall be authoritative.
2. Protective devices shall be included in the delivery to the extent prescribed by law or expressly agreed.
3. The provisions of the Association of German Electrical Engineers shall apply to all deliveries and services insofar as they are relevant for the safety of the deliveries or services. Deviations are permissible insofar as the same level of safety is otherwise guaranteed.
4. The Supplier reserves the unrestricted right to ownership and copyright exploitation rights in cost estimates, drawings and other documentation; they may only be made accessible to third parties given the prior approval of the Supplier. Drawings and other documentation forming part of quotations shall be returned immediately upon request if the assignment is not placed with the Supplier. Sentences 1 and 2 apply mutatis mutandis to the purchaser's documentation; this documentation may, however, be made accessible to those third parties to whom the Supplier has admissibly sub-contracted delivery or service.

III
Prices

1. Prices shall be deemed ex works excluding packaging in case of delivery without installation or assembly.
2. If the Supplier has assumed responsibility for installation or assembly and unless otherwise agreed, the purchaser shall pay all requisite incidental expenses such as travel costs, costs of transporting hand tools and personal luggage and field allowance in addition to the remuneration agreed upon.

**IV
Reserved Title**

1. The products shall remain the property of the Supplier pending performance of all claims due to the Supplier from the purchaser on the basis of the business relationship. The purchaser is obliged to treat the products with care, in particular the purchaser is obliged to have them adequately insured at their replacement value at the purchaser's own expense against the risk of fire and water damage and theft. The purchaser must conduct the maintenance and service work necessary at its own expense.

The Supplier must be advised immediately in case of attachment or seizure by third parties.

2. The purchaser has the right to resell the products in the normal course of business, the purchaser shall, however, assign to the Supplier already all existing and future claims to which the purchaser is entitled from its purchasers or third parties on the basis of the resale of the products in an amount equivalent to the final invoice amount (including turnover tax) of the Supplier. The purchaser is authorized to collect this claim even after the assignment thereof. The Supplier's authority to collect the claim itself shall remain unaffected hereby. However, the Supplier undertakes not to collect the claim as long as the purchaser is not in default in payment and in particular has not filed for the initiation of insolvency proceedings.
3. If the product purchased is indivisibly mixed with third party products, the purchaser acquires joint ownership in the new product in the same proportion as the value of the product with respect to the other products mixed at the time of such mixing. If the mixing is effected so that the product of the purchaser is to be regarded as the purchaser product, then it is deemed agreed that the purchaser assign to the Supplier proportionate ownership. The purchaser shall hold the sole property or joint property thus arising in safe custody on behalf of the Supplier.
4. If the realizable value of the security of the Supplier should exceed the value of the claim to be secured by more than 20%, the Supplier shall release security at its discretion at the request of the purchaser.
5. Recovering the products or asserting rights to reserved title on account of default in payment constitutes rescission of the agreement, save as otherwise expressly determined by the Supplier.
6. In case of violations of obligations by the purchaser other than default in payment, in particular in case of jeopardy to the product purchased due to the purchaser's behavior in breach of duty, the Supplier shall be entitled to recover the product purchased without rescission of the contract. The purchaser must release the product purchased.

**V
Terms of Payment**

1. Payments are to be effected to the Supplier's place of payment without any deductions.
2. If the term for payment is not complied with, the Supplier has the right to claim default interest in an amount of 8% p.a. above the respective base rate for interest. The Supplier reserves the right to assert a claim to further damage.
3. The right of retention or offset against any counterclaims is only possible if such counterclaims have been acknowledged or adjudicated with res judicata effect by a court of law.

VI Deadline for Delivery or Performance

1. The reciprocal written declarations are binding as regards the deadline for delivery and performance, Article 1, sentence 2 shall apply analogously. The precondition for compliance with the deadline is the punctual receipt of all the documentation to be supplied by the purchaser, the required permits, clearances, punctual clarification and approval of plans, as well as compliance with payment terms agreed upon and with other commitments. If these pre-conditions are not met in good time, the deadline shall be extended accordingly.
2. The deadline shall be considered met if:
 - a) in case of delivery without installation or assembly, the consignment in operational condition is dispatched or collected within the deadline for delivery and performance. If dispatch is delayed for reasons which are the responsibility of the purchaser, the deadline shall be deemed complied with if notification of readiness for dispatch is sent within the period agreed;
 - b) in case of delivery with installation or assembly, as soon as this is effected within the period agreed.
3.
 - a) If non-compliance with the deadline for delivery or performance is provably due to mobilization, war, insurrection, strike, lockout or to the occurrence of unforeseeable impediments, the deadline shall be extended appropriately.
 - b) If the Supplier is in default, the purchaser can, insofar as it proves that it incurred damage as a result thereof, demand compensation for each complete week of default in an amount of 0.5% per week but not exceeding a maximum of 5% of the price of that part of the delivery which could not be properly commissioned due to the default.
 - c) Both claims for damages by the purchaser on account of delayed delivery and claims for damages in lieu of performance in excess of the limits set forth in b) above are excluded in all cases of delayed delivery, within the limits set forth in Article XII, even following the expiration of a deadline for delivery set for the Supplier. The aforementioned rulings do not entail a change in the burden of proof to the detriment of the purchaser.
 - d) The purchaser is obliged, at the Supplier's request, to declare within a reasonable period of time, whether it wishes to rescind the contract on account of the delayed delivery or whether it insists on delivery.
 - e) If dispatch or supply is delayed at the purchaser's request for more than one month after notification of readiness for delivery, the Supplier may charge storage fees in an amount equivalent to 0.5% of the price of the goods for delivery for any month which has started, but not exceeding an aggregate of 5%. The contracting parties have the right to prove higher or lower storage costs.

VII Passing of Risk

A

Risk passes to the purchaser even if delivery has been agreed with carriage prepaid when:

- a) in case of delivery without installation or assembly, the consignment in operational condition has been dispatched or collected. Packaging shall be effected with utmost care. Dispatch shall be effected at the Supplier's best discretion. At the purchaser's request and expense the Supplier shall insure the consignment against the risk of breakage, transport and fire damage.
- b) in case of delivery with installation or assembly, on the day of takeover in the purchaser's own facility; insofar as trial run has been agreed, after a faultless trial run. The precondition for this is that the trial run or takeover in the purchaser's own facility is performed immediately after the installation or assembly in operational condition. If the purchaser does not take up the offer of a trial run or takeover in its own facility, the risk for the time of delay shall pass to the purchaser 14 days after such offer.

- c) If dispatch, delivery, the commencement or the execution of the installation or assembly is delayed at the purchaser's request or for reasons for which the purchaser is responsible, risk for the time of such delay shall pass to the purchaser; the Supplier is, however, obliged, at the purchaser's request and expense, to arrange for the insurance required of it.

VIII Installation and Assembly

A

The following provision shall apply to each type of installation and assembly save as otherwise agreed in writing:

- a) The purchaser shall provide punctually and at its expense:
- aa) the required number of auxiliary teams such as odd-jobbers and also, if required, masons, carpenters, fitters, crane drivers, other skilled laborers together with the tools they require;
 - bb) all of the earth, cementing, construction, chiseling, scaffolding, plaster, painting and other non-allied ancillary work, including the construction materials required for such work;
 - cc) the items and materials required for the assembly and commissioning such as scaffold boards, wedges, bedding, cement, plastering and sealing agents, lubricants, fuels etc.; furthermore scaffolding, lifting and other equipment;
 - dd) operating power and water, including all the necessary connections up to the place of use, heating and general lighting;
 - ee) sufficiently large, suitable, dry and lockable rooms on the assembly site for storing the machine parts, apparatus, materials, tools etc and suitable working and leisure rooms for the assembly personnel, including suitable sanitary facilities appropriate to the circumstances; furthermore, the purchaser shall undertake action to protect the property of the Supplier and assembly personnel on the building site as it would to protect its own property;
 - ff) protective clothing and protective equipment as required in accordance with the special circumstances on the assembly site and which is not customary in the field of industry of the Supplier.
- b) Prior to commencing the assembly work the purchaser shall provide, without any specific request to do so, the necessary information on the location of concealed electricity conduits, gas and water pipes and of any similar equipment and the requisite information on balance.
- c) Prior to commencing the installation or assembly work, the supply parts necessary to commence the work must be located on the site and all of the other masonry, carpentry and other preparatory work must have made sufficient progress prior to commencement of the erection to enable the installation or assembly to be commenced immediately after the arrival of the installation or assembly personnel and continued without interruption. In particular the access routes and the installation or assembly site must be cleared and leveled at ground level, the basic masonry must be set and dry, the foundation walls must be erected and backfilled; in case of indoor installation, wall and ceiling plasterwork must be complete, in particular doors and windows must be fitted.
- d) In case the installation, assembly or commissioning is delayed by circumstances not attributable to the Supplier, the purchaser has to bear to a reasonable extent the costs of the waiting time and the costs of additional travel necessary by the Supplier or assembly personnel.
- e) The purchaser has to certify the working time to the installation or assembly personnel each week according to its best knowledge. The purchaser is furthermore obligated to immediately hand over to the installation or assembly personnel a written confirmation upon conclusion of the installation or the assembly work.
- f) The Supplier is not liable for the work of the installation or assembly personnel or of other agents employed in the execution of its obligation insofar as the work is not related to the delivery, the installation or assembly or insofar as the work was occasioned by the purchaser.

B

In case the Supplier has taken on the installation or assembly against individual invoicing, the following provisions shall apply in addition to the provisions set forth under part A:

1. The purchaser shall pay the Supplier the agreed rates for working time and extra payments for overtime, night work, work on Sundays and public holidays, for work subject to difficult conditions and for planning and monitoring as agreed upon at the time the order was placed. Time for preparatory travel, running times and feedback is deemed to be working time.
2. In addition, the following costs will be remunerated separately:
 - a) Travel expenses, cost of transporting hand tools and personal luggage.
 - b) Field allowance for working time as well as for vacation and public holidays.

IX

Taking of Delivery

1. The purchaser may not refuse acceptance of delivery of goods supplied because of minor defects.
2. Partial deliveries are permissible insofar as is reasonably acceptable for the purchaser.

X

Liability for Product Defects

The Supplier is liable as follows only with respect to defects existing at the time of passing of risk.

1. The Supplier must be notified of defects in writing immediately after delivery and immediately upon the discovery thereof in case of concealed defects. This shall also apply to a recall by the purchaser pursuant to Sections 478 and 479 German Civil Code (BGB).
2. The Supplier shall effect subsequent performance, normally by repair or, if the Supplier cannot be reasonably expected to effect the repair work, by supplying a defect-free product. The Supplier must be given reasonable time and opportunity to effect the subsequent performance. If the Supplier is denied this possibility, it is released and discharged from the obligation to effect subsequent performance and with respect to other claims on account of defects.
3. If subsequent performance is not effected within the deadline set, the purchaser shall be entitled to demand damages in lieu of performance and/or rescission or a reduction in the purchase price. No deadline must be set if the Supplier has definitively refused to effect subsequent performance or if at least three attempts at subsequent performance have failed. Any claims other than the aforementioned warranty claims are excluded save as provided in Section XII.
4. Claims on account of defects do not exist in case of an only minor deviation from the quality agreed upon, in case of a merely minor impairment in useability, in case of natural wear and tear or damage after the passing of risk due to defective or neglected operating resources or to special external influences which were not foreseen under the terms of the contract. Similarly, if the purchaser or a third party undertakes improper modifications or maintenance work, there shall be no claims to warranty in this respect or in respect of the consequences thereof.
5. Claims by the purchaser on account of outlays necessary for the purpose of subsequent performance, in particular transport routes, cost of labor and materials are excluded insofar as such outlays are increased because the subject

matter of the delivery is subsequently moved to another place, unless such removal is in accordance with its contractual use.

6. Claims to recourse against the Supplier by the purchaser pursuant to Section 478 BGB only exist insofar as the contract entered into between the purchaser and its purchasers is subject to a jurisdiction in which such claim to recourse is mandatory and insofar as the purchaser did not reach any agreements with its purchaser in excess of the statutory claims on account of defects. The terms of Article X, 4 shall apply mutatis mutandis with respect to the extent of the claim to recourse against the Supplier by the purchaser.
7. Insofar as individual items delivered are resold straight to the consumer pursuant to Section 13 BGB, the purchaser can assert claims to warranty with respect to the Supplier subject to the following preconditions:
 - If, in case of a defect, the consumer demands a type of subsequent performance which the purchaser is entitled to refuse under the provisions of Section 439 (3) BGB, the purchaser must make use of this right of refusal. If the purchaser fails to do so, the purchaser shall bear the additional costs itself.
 - 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 its right of recourse with respect to the Supplier and if it receives the products back from the consumer, the purchaser must give the Supplier the possibility of examining the alleged defect. This shall be effected by sending the products to the Supplier for examination upon request.
 - If the purchaser conducts repair work due to a justified claim on account of defect, compensation shall be effected by the Supplier's remunerating the expenditure in accordance with its conditions for processing guarantee cases.
8. Claims to warranty by the purchaser shall become statute-barred after 12 months. This does not apply insofar as Section 438 (1) subpara 2 (Building Constructions and Products for Building Constructions), Section 479 (Claim to Recourse) and Section 634 a (1) subpara 2 (Constructional Defects) of the German Civil Code (BGB) prescribe longer statute bars or in case of fatal or physical injury or damage to health, in the event of an intentional or grossly negligent violation of an obligation by the Supplier or in case of fraudulent non-disclosure of a defect. The statutory provisions governing tolling of the statute of limitations, suspension and recommencement of the statute bars shall remain unaffected.

XI

Impossibility, Adjustment of the Contract

1. If the Supplier refuses to supply because delivery was already impossible at the time the contract was entered into or required an expenditure grossly out of proportion to the purchaser's interest in performance, the Supplier shall be liable to pay the purchaser damages in lieu of performance even if it was not responsible for the default. This shall not apply if the Supplier neither knew nor should have known of the impossibility of delivery. The purchaser's claim for damages shall be limited to 10% of the value of that part of the delivery which it was not possible to put into proper operation on account of the impossibility.
2. If the impossibility or the disproportionate expenditure on rendering performance does not occur until after the contract has been entered into, the Supplier shall be liable for damages unless the occurrence was neither foreseeable nor avoidable.
3. Liability for damages in lieu of performance is excluded save as provided for in Article XII hereof.

XII Other Claims for Damages

1. Claims for damages and compensation of expenses (hereinafter: Claims for Damages) asserted by the purchaser for whatsoever reason, in particular on account of a violation of obligations resulting from the contractual relationship or from tortious acts, are excluded.
2. This shall not apply in case of mandatory liability, for example under the terms of the German Product Liability Act, in case of intent, gross negligence, on account of fatal or physical injury or damage to health, or on account of a breach of material contractual duties. The Claim for Damages in case of a breach of material contractual duties is, however, limited to the foreseeable damage typical of the type of contract except in case of intent or gross negligence or in case of liability due to fatal or physical injury or damage to health. This foregoing provision does not involve any change in the burden of proof to the detriment of the purchaser.
3. Insofar as the purchaser is entitled to Claims for Damages under the terms of this Article, such claims shall become statute-barred upon expiration of the period of the statute of limitations applying to claims on account of defects pursuant to Article X.8. In case of Claims for Damages pursuant to the German Product Liability Act, the statute bars of the Statute of Limitations shall apply.

XIII. Disposal

After ending of use the Supplier accepts the duly disposal of the delivered goods that he as manufacturer put on to the open marked for other user than private households. The term goods covers in this context exclusively this products which are noted in the ElektroG of 23. March 2005 in annex I cypher 5: lighting fixtures.

Gas-discharge lamps are excepted from the aforementioned regulation. Solely for these as from the 24. 03.2006 the supplier bills an amount for the disposal. This amount is not qualified for conditions and cash discount and is valid for Germany only.

This duty of disposal does not apply for all other products.

In this context the Supplier arranges for a reasonable opportunity for the return of the goods exclusively for all other users than private households. For the transportation to the point of return the last proprietor is responsible. The opportunities of return are noted, described and updated on the homepage of the supplier: www.ceag.de. This regulations only apply for goods which were put on to the marked by the Supplier within the Federal Republic of Germany.

XIV.

Venue

1. If the purchaser is a registered merchant under German law, the courts with jurisdiction and venue either at the Registered Office or branch of the Supplier at the discretion of the Supplier shall have exclusive jurisdiction and venue over all disputes arising indirectly or directly from the contractual relationship.
2. German law shall govern the contractual relationships.

XV.

Severability Provision

Even if individual points of the contract are legally ineffective, the remaining parts of the contract shall remain binding. This does not apply if adherence to the contract would represent an unacceptable hardship for one of the parties.

Version dated: February 20, 2006



CEAG Notlichtsysteme GmbH
Senator-Schwartz-Ring 26
59494 Soest, Germany
E-mail: Info-n@ceag.de
Internet: www.ceag.de