

General Terms and Conditions (as of January 2002)

I. Exclusivity

For deliveries and services performed by PFISTERER Kontaktsysteme GmbH, our General Terms and Conditions shall apply exclusively if we do not agree on a modification in writing in each individual case. Any differing or supplementary conditions of the customer are not binding for us. For deliveries of software, our Conditions for the Supply of Software shall apply additionally.

II. Offer and Conclusion of Contract

1. Our offers are without obligation.
2. Orders are only accepted when we have confirmed them.
3. Additions, amendments or subsidiary agreements, whether made by telephone or orally, require our written confirmation in order to be effective.

III. Scope of Deliveries and Services

1. For all deliveries and services, the regulations of the Association of German Electricians (Verband Deutscher Elektrotechniker; VDE) shall apply as far as they are relevant for the security of the deliveries and services. Deviations are permitted as far as the same security is granted in another way. This does not apply if we deliver appliances and devices which do not comply with the VDE regulations or other provisions upon the customer's special request.
2. Protection devices are delivered together with the goods supplied if this is provided for by law or expressly agreed on.
3. Dimensions, weights, illustrations and drawings are only binding for the design of the goods if this is expressly confirmed in writing. Notifications on technical data only inform about the condition of the goods; they are no undertaking as to any warranted properties.
4. Gross weights and crate dimensions are approximated and given without obligation.
5. We reserve the exclusive ownership rights and copyright use for estimates of cost, drawings and other documents; they may only be made accessible to third parties with our prior consent. Drawings belonging to offers and respective documents have to be returned immediately upon request if the order is not placed.
6. A delivery is meant to be free of defects even in case the delivery quantity is higher or lower than agreed, if the deviations for a quantity of
 - up to 5.000 pieces do not exceed 2.5%
 - up to 10.000 pieces do not exceed 2.0%
 - more than 10.000 pieces do not exceed 1.0%.

IV. Prices and Payment

1. If not agreed on otherwise, the prices are to be taken as being ex works and without packing. The packing will be charged at cost. To the prices is added the value-added tax at its current statutory rate. The packing is taken back by us free of charge if delivered freight paid to our facilities in Winterbach.
2. If considerable increases in material and labour costs occur in the time between the closing of the contract and the transfer of risk, we reserve the right to adjust the prices adequately.
3. If not agreed on otherwise, payments are to be made in EUR free of charge to our bank accounts.
4. Bills of exchange are generally not accepted; exceptions require prior agreement.
5. The acceptance of bills of exchange and cheques are only made to facilitate payment; the costs of discounting and collection are to be borne by the customer. We are not liable for any bills of exchange which are not presented in time or for any failure to have a bill of exchange protested.
6. Invoices are payable net within 30 days from the invoice date; we grant a discount of 2% on the discountable amount if payment is made within 15 days. Relevant for the determination of the time limit is the day on which the payment amount is credited to one of our bank accounts. For payments by cheque, the date of receipt of the cheque is considered to be the payment date. For small quantities we will have to charge a minimum amount of 100,00 EUR.
7. If payment is not made within 30 days of receipt of invoice, or within 40 days from the delivery date at the latest, the customer is deemed to be in default in payment, entitling us to charge interest for the delay period and claim any additional compensation for damage resulting from default. In case of the customer's default,

we are entitled to charge interest in the amount of 8% above the respective base interest rate. We are entitled, in each specific case, to claim for any additional verifiable damage.

8. The customer is not entitled to retain payment due to counterclaims which were not accepted by us. The customer can only set off claims which are undisputed or which have been finally assessed.

9. In case the solvency of the customer is reasonably doubted, we reserve the right to demand an advance payment or the deposit of a security or to withdraw from the contract if the customer fails to observe the time-limit set for such payments.

V. Delivery Period

1. The delivery period shall be specified in calendar days ("delivery date").
2. We are only bound to the delivery period if the customer supplies us in time with the necessary documents, permits and releases and with the permits for the plans, and if an agreed advance payment has duly been made. If these requirements are not met in time, the delivery period is adequately extended.
3. If the customer changes the order after placement, the delivery period is adequately extended.
4. The delivery period is observed when the subject-matter of the order has left the works or when the readiness for dispatch has been notified before expiry of the delivery period.
5. The delivery period is adequately extended if the nonobservance is due to mobilization, war, riot, strike, lockout or unforeseen impediments which are outside our control. This also applies if these circumstances affect subcontractors. We are also not responsible for the above mentioned circumstances if they occur during an already existing delay. In important cases, we will inform the customer as soon as possible of the beginning and end of such impediments.
6. If the customer suffers damage due to a delay for which we are responsible, the customer is entitled, to the exclusion of any further claims, to demand a compensation for the delay. This compensation will amount to 0.5% for each complete week of delay, but will not exceed a total of 5% of the value of the part of the overall delivery, which, as a consequence of the delay, cannot be used in due time or in accordance with the contract.
7. If the dispatch is delayed at the wish of the customer, we are entitled to charge, starting one month after the readiness for dispatch has been notified, the costs occurring because of the storage, and if the goods are stored in our works, at least 0.5% of the invoice amount for each month. If an adequate time limit has been fixed and if this time limit expired without effect, we are further-more entitled to dispose of the goods in another way and to deliver the goods to the customer with a suitably extended delivery period.
8. Compliance with the delivery period requires the customer's complying with its contract duties.
9. The customer is entitled to rescission of contract or claim for damages for the respective default in delivery if the supplier is in default of delivery and a reasonable extension of the delivery period has fruitlessly expired following a written warning that acceptance of goods would be refused.
10. The customer is obligated at our request to state within a reasonable period of time whether he wishes to rescind the contract due to our default in delivery and/or wants to claim for damages in lieu of performance on our part or whether he will insist on delivery.

VI. Transfer of Risk and Acceptance

1. The risk will pass to the customer by the latest upon the dispatch of the goods from the works. This is also true for partial deliveries or if we have agreed to render further services such as taking over the forwarding costs or the transport and installation. Upon the customer's request we will insure the consignment against theft and damage resulting from breaking, transportation, fire and water, or other insurable risks.
2. If the delivery is delayed due to circumstances for which the customer is responsible, the risk passes to the customer on the day on which the consignment is ready for dispatch; however, the supplier is obliged to effect, at the customer's request and cost, the insurances demanded by the customer.
3. Goods delivered have to be accepted by the customer notwithstanding the rights under no. VIII, even if they show unsubstantial defects.
4. Partial deliveries are permitted.

VII. Installation and Assembly

These General Terms and Conditions are applicable for every kind of installation and assembly if our separate Conditions of Assembly do not provide otherwise.

VIII. Liability for Defects in Delivery and Service

1. The customer is obligated to inspect the goods for any defects and compliance with warranted properties immediately upon their arrival. He is obligated to notify us in writing without delay, however, not later than seven days after delivery of any of any obvious defects; any hidden defects, he must report within seven days of their discovery. Failing this, any goods delivered are deemed to have been accepted.

2. The customer is obliged to grant us the opportunity to follow up the complaint, in particular, to make available to us the defective goods and their packaging for our inspection. Refusal to comply shall release us from our warranty commitment. If for reasons of maintaining industrial safety or to avoid excessive damage it should become urgently necessary, the customer is entitled to remedy any defects himself or have a third party remedy the defects and to demand from us reimbursement for any necessary costs incurred. This also applies if we should be in default with remedying the defects ourselves. In any case, the customer is obligated to inform us without delay.

3. Should the customer, in the event of a defect, require subsequent performance from us, we are entitled at our discretion either to remedy the defect ourselves or make substitute delivery. Defective goods for which exchange has been made are to be returned to us. If no remedy or substitute delivery is possible or is refused or does not eventuate within a reasonable period of time to be defined by the customer, or fails, for any other reasons we can be held responsible for, the customer is entitled to rescind the contract or demand a reduction in price.

4. We undertake to absorb all such costs associated with remedying a defect or any substitute delivery – provided that the complaint proves to be justified – as the costs for the substituted part, including shipping costs, and all reasonable costs for removing the defective part/installing the new part. The customer shall bear all other costs generated by the customer. Any installation and travel expenses incurred in the case of any unjustified complaints of defects shall also be borne by the customer.

5. We are not liable for appliances and devices which do not correspond to the VDE regulations but which we produce upon the customer's special request.

6. We accept no liability for damage to or defects in the goods supplied which have resulted from natural wear, excessive load, use in contravention of our operating instructions, unsuitable or improper use, faulty assembly or incorrect commissioning on the part of the customer or any third party, subsequent modification by the customer or third parties, incorrect or negligent handling, unsuitable ground or surface at the installation site, chemical, electro-chemical or electrical influences, provided that they are not attributable to any fault on our part.

7. All further claims of the customer are excluded, in particular, claims for damages in lieu of performance and damages for any other direct or indirect damage, including collateral and consequential damage – irrespective of the legal grounds on which such claims may be based. This does not apply

- in the case of our malicious non-disclosure of any legal imperfection in title or defects of quality or in the case of any undertaking on our part of the goods' warranted qualities,

- if the damage was due to any wilful intent or gross negligence on our part, on the part of our legal representatives or vicarious agents or due to any negligent violation of any essential contractual obligations by any of these parties, or

- in the case of any culpable breach of duty on our part, on the part of our legal representatives or vicarious agents resulting in personal injury or health impairment.

However, in the case of ordinary negligence, our liability to pay damages is limited to the extent of any foreseeable damage typical in contracts such as the one between the parties hereto.

8. The provisions pursuant to Para. 7 apply analogously to any direct claims of the customer against our legal representatives or vicarious agents.

9. All warranty claims of the customer, including the claims for damages stipulated under Nos. 7 and 8 above will become statute-barred after 12 months from the delivery date or date of performance respectively. Parts exchanged and works performed by way of remedy shall be subject to a 12-month period of

limitation, such period, however, remaining current at least until the expiry date of the original statutory period of limitation for the goods delivered. The warranty period for the goods delivered will be extended by the period of any stoppages due to works performed to remedy a defect. The provisions of this paragraph do not apply where the law pursuant to §§438 Para. 1 No. 2 of the German provisions governing buildings and construction-related objects (Bauwerke und Sachen fuer Bauwerke), § 479 Para. 1 of the German provisions governing claims under a right of recourse (Rueck-griffsanspruch) and §634a Para. 1 No. 2 of the German Civil Code (BGB) governing defects of construction works (Baumaengel) prescribes longer limitation periods.

IX. Liability and Ancillary Obligations

If the goods delivered cannot be used by the customer in accordance with the contract because we breached contractual ancillary obligations, failed to render or rendered false proposals or advice, the provisions under no. VIII hereof are valid accordingly, any further claims excluded.

X. Supplier's Right to Withdraw

If it comes to our knowledge after conclusion of the purchase contract that an execution has been taken out against the customer without result or if we obtain information of equal concern that the customer's assets have deteriorated, we are entitled to demand securities for the consideration or withdraw from the contract and charge the expenses we incurred.

XI. Reservation of Ownership

1. We reserve the right to retain ownership of all goods delivered by us until all claims resulting from the business relationship have been completely settled.

2. The customer is entitled to a resale within the ordinary course of business. In case of a resale, the customer already now assigns to us all claims against the buyer. We accept these assignments.

3. If payment is made by cheque or bill of exchange, we reserve ownership of the goods until the cheque is cashed or until our liability under the bill of exchange including a claim on account of unjust enrichment is terminated.

4. Pledges or chattel mortgages are inadmissible. In case of a pledge by a third party, we have to be notified immediately.

5. If we enforce the reservation of ownership or pledge the goods delivered, this does not constitute a withdrawal from the contract except where § 503 of the German Civil Code (BGB) applies.

6. We obligate ourselves to release the securities we are entitled to according to no. 1 and no. 2 upon demand of the customer as far as their realizable value exceeds the amount of the claims to be secured by 20 percent

7. In the case of a default in payment, the customer is obligated to return the goods subject to our reservation of ownership, even if we choose not to rescind the contract. In this case, the customer is hereby obliged to irrevocably grant us the right to immediately pick up the goods and to gain unrestricted access to his business and warehouse premises for this purpose. The assertion of our reservation of ownership and seizure of the goods under reservation do not constitute a rescission of contract on our part. Following any seizure of goods under ownership reservation we are entitled to dispose of such goods at our discretion. All proceeds from the disposal of the goods is to be credited against the debts of the customer, less any reasonable disposal costs incurred.

XII. Jurisdiction

For all disputes arising directly or indirectly out of the contract, the sole place of jurisdiction shall be Stuttgart. Each of the contract parties, however, is also entitled to sue the other party at its general place of jurisdiction.

XIII. Applicable Law

The parties expressly agree that the contract is subject to German law. However, the application of the Convention on Contracts for the International Sale of Goods dated April 11, 1980 is excluded.

XIV. Partial Invalidity

If a provision is invalid in whole or in part, this does not affect the validity of the other provisions.