

General Terms and Conditions of Business and Delivery of EXPERT Transformatorenbau GmbH

I. Validity and conclusion of the contract

1. Our General Terms and Conditions of Business and Delivery apply to all our services in the valid version at the time of conclusion of the contract. In addition, our rates apply in the valid version at the time of conclusion of the contract.
2. Our General Terms and Conditions of Business and Delivery and rates also apply to future transactions with customers in the valid version at the time of conclusion of the contract.
3. Unless otherwise specified in contractual agreements, only the provisions outlined in section I.1. apply. Other provisions shall not become part of the contract even if we do not expressly contradict them.
4. Our offers are subject to change. A contract shall only come about through our written order confirmation. The scope of our services shall be finally determined by our written order confirmation including its written attachments.
5. Collateral agreements and amendments shall only become effective with our written confirmation. This also applies to any waiver of this provision.
6. The fulfilment of our contractual obligations with regard to the supply of components that are subject to governmental export regulations shall be subject to the reservation that we receive the necessary permits.
7. Documents and information provided by us such as illustrations, drawings and details of weights and dimensions shall only be binding if we have expressly indicated that they are an element of the contract or have expressly referred to them.
8. We reserve our rights of ownership and copyright to all the information and documents provided (e.g. samples, cost estimates, drawings documentation) – also in electronic form. They may not be made accessible to third parties without our prior written consent.
9. The written form can be replaced by fax, but not by the electronic form pursuant to section 126 a of the German Civil Code (BGB) or the text form pursuant to section 126 b BGB.

10. These General Terms and Conditions are not intended for use with respect to consumers under section 13 BGB.

II. Prices and payments

1. Our prices are ex works plus value added tax at the statutory rate, packaging and loading.
 - a. For services within the European Union, our customer shall notify us of his VAT ID number in good time prior to the contractually agreed delivery date in order to prove that he is exempt from value added tax. In the event that such notification is not given on time or in full, we reserve the right to charge the value added tax in the applicable amount.
 - b. For deliveries outside of the European Union we are entitled to subsequently charge the statutory value-added tax if the customer has not sent us proof of export within one month of the date of shipment.
2. Cost estimates are only binding in writing.
3. Unless otherwise agreed, the term of payment is 30 days.
4. Assembly, repairs and other services shall be charged at the current rates, which are available from us on request. Surcharges will be levied for work outside normal working hours. Travel and waiting times are counted as working hours.
5. Payments shall be made to one of our bank accounts without deductions.
6. The customer may only offset against our claims or exercise a right of retention with counterclaims which are undisputed in terms of reason and amount or have been finally established in law.
7. The customer shall be in default 10 days after the invoice becomes due without a further reminder.
8. The prices of the offer apply only when ordering the full extent of the offered services.

III. Performance, passage of risk, acceptance

1. We reserve the right to reasonable partial performances.

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2. Incoterms 2010 shall be deemed to have been agreed. Unless otherwise agreed, deliveries shall be EXW from Industriestr. 6a, 64653 Lorsch, Germany.
3. In case of work performance the risk shall be transferred to the customer with the acceptance of such work performance. If the customer takes over the transport of the item from the place of manufacture to the site of its use, the customer shall bear the risk for the duration of the transport.
4. The provisions for the transfer of risk shall also apply if partial deliveries are made or other services are to be performed by us.
5. Should the delivery or acceptance be delayed or not take place as a result of circumstances which are not attributable to us, the risk shall be transferred to the customer from the day of notification that the goods are ready for shipment or collection. We undertake to take out insurances as requested by the customer at his expense.
6. Notwithstanding his rights under section XIII hereof, the customer may not refuse the acceptance of the performance in the event of insignificant defects or deviations in volume.

IV. Retention of title

1. Ownership of the subject of delivery shall not pass to the customer until payment has been made in full. If the validity of this retention of title is subject to special conditions or special formal requirements in the country of destination, the customer shall ensure that they are fulfilled.
 2. The customer may not pledge, sell or assign as security the subject of delivery prior to the passage of title. In the event of pledges and seizures or other orders by third parties, the customer must inform the third party of our title and notify us without undue delay.
 3. In the event of actions on the part of the customer in breach of contract, in particular default of payment, we shall be entitled to repossession following a notice of default, and the customer shall be obliged to surrender possession. Neither the enforcement of the retention of title nor the pledge of the subject of delivery by us shall be deemed to be a rescission of contract.
4. An application for the institution of insolvency proceedings concerning the customer's assets shall entitle us to rescind the contract and to demand immediate return of the subject of delivery.
 5. If customer is residing in the Federal Republic of Germany, the following shall apply in addition to the foregoing:
 - a. By way of derogation from section IV.1. hereof, we reserve title to the subject of delivery until all of our claims against the customer within our ongoing business relationship have been satisfied.
 - b. By way of derogation from section IV.2. hereof, the customer is entitled within the scope of his normal business transactions, to resell or process the subject of delivery for which we reserve ownership under the following conditions: He must resell the subject of delivery under retention of title if the subject of delivery is not immediately paid for in full by the third-party customer. There shall be no entitlement to a resale if the customer is in default of payment. On conclusion of the contract the customer hereby assigns all the claims arising under the resale or on any other legal grounds to us. In the event that co-ownership is created, the assignment shall only encompass the percentage of claims corresponding to our co-ownership.
 - c. The customer shall remain entitled to collect the claims assigned to us after their assignment for as long as he complies with his payment obligations to us in accordance with the terms of this contract. We may demand at any time that the customer discloses the assigned claims and the debtors thereof, provides us with all information necessary for collecting such claims, delivers to us the documents pertaining thereto and informs the debtor of the assignment.
 - d. Processing of the reserved goods by the customer shall always be effected on our behalf. If the reserved goods are mixed, blended, connected or processed with items to which we do not own a title, we shall acquire co-ownership in proportion to the invoiced value of the reserved goods compared with the other processed items at the time of processing. If our goods are mixed, blended, connected or processed with other movable items to create a single item

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and if the other item is to be viewed as the main item, it shall be deemed agreed that the customer shall transfer proportionate co-ownership to us, provided that he is the owner of the main item. The customer shall act as custodian of the property or joint property for us. In all other respects, the same provisions shall apply to the item created by mixing, blending, connecting or processing, as for reserved goods.

- e. We undertake to release the securities to which we are entitled to the extent that the invoice value of all securities which can be realised exceeds not just temporarily the total amount of all our claims by more than 15%.
- f. Provided that the subject of our deliveries are firmly connected to property or have been integrated into a building, such connection or integration shall only take place for temporary purposes.

V. Term of performance

1. Compliance with the agreed performance term requires that all commercial and technical issues between the customer and us have been settled and that the customer has fulfilled all of his obligations. If this is not the case, the performance term shall be extended accordingly. The foregoing shall not apply if the delay is our responsibility.
2. Compliance with the performance term is subject to the condition that deliveries to us are correct and on time. We shall notify the customer of any foreseeable delays.
3. The performance term has been honoured if notice of the readiness for shipment has been given by its expiry. If acceptance must be made, the acceptance date or, alternatively, our notice of the readiness for acceptance shall govern timeliness
4. If non-compliance is attributable to force majeure, labour disputes, delays in procuring government licences or other events outside our scope of influence, the performance term shall be reasonably extended. This shall also apply if we are in default of rendering our performance. We shall inform the customer of foreseeable delays.

5. If the shipment or acceptance of the subject of delivery is delayed on grounds for which the customer must bear responsibility, the costs incurred by the delay shall be charged to him. We reserve the right to assert further damage compensation claims.
6. We reserve the right to dispose otherwise of the subject of delivery if the customer has allowed a reasonable period for delivery or acceptance set by us to fruitlessly expire, and to supply the customer in a reasonably extended period.

VI. Delays in performance, impossibility

1. In the event of partial impossibility the customer may only withdraw from the contract if it can be proven that the partial performance is of no interest for the customer. If this is not the case, the customer must pay the price according to the terms of contract attributable to the partial delivery. Otherwise section IX applies. If impossibility occurs while the customer is in default of acceptance or because of the customer's fault, he shall remain obliged to provide consideration.
2. If the responsibility for impossibility is not to be borne by either party, we are entitled to claim a part of the remuneration corresponding to the work performed by us.
3. If we are in default and the customer incurs damages because of this, he shall be entitled to demand a flat rate default compensation. This default compensation shall be 0.5 % for each full week as of the date the claim has been received by us in writing, however, not exceeding a total of 5 % of the value of that part of the complete delivery which could not be used on time or as stipulated due to the delay.
4. Within the scope of the statutory provisions, the customer is entitled to rescind the contract if, taking into account the exceptions under statute, a reasonable grace period for the rendering of our performance set for us during our default has been allowed to expire.
5. Any further claims because of a default in delivery shall be governed exclusively by section IX.

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VII. Acceptance

1. Our goods shall be deemed accepted 2 weeks after we notify the customer that they are ready for acceptance unless the customer submits written notice of substantial defects within this period.
2. The customer is only entitled to refuse acceptance if the defect cancels out or significantly reduces the normal and/or contractually stipulated use of the work and/or its value. If the work contains defects not entitling the customer to refuse acceptance, acceptance shall be made under the reservation that the defects are rectified.
3. Refusals of acceptance or reservations against acceptance must be made immediately in writing, stating the designation and description of the reported defect.
4. The use of the subject of delivery by the customer for production purposes shall be regarded as acceptance.

VIII. Claims for defects

1. In case of material or legal defects, the customer is entitled to the following claims for defects:
 - a. Claims for defects by the customer are based on the assumption that he has properly adhered to the examination and complaint stipulations as outlined in section 377 German Commercial Code (HGB).
 - b. At our discretion we shall deliver a defect-free item or remedy the defect, provided the subject of delivery is proven to have already been defective upon the passing of risk pursuant to section III. The customer shall notify us immediately of any defects in writing, stating and describing the reported defect. We have the right to retain the title to parts replaced as part of the exchange procedure.
 - c. No claims for defects shall be created by causes which are not attributable to any fault on our part, such as: Normal wear and tear, excessive usage, unprofessional intervention or repairs by the customer or third parties, incomplete or incorrect information supplied by the customer, unsuitable or improper use, incorrect operation, assembly or start-up,

- d. The customer must provide us with the required time and opportunity for subsequent performance. If we are not provided with this opportunity, we shall not be liable for any resulting consequences. Only in urgent cases involving a risk to the safety of operations or in order to avert disproportionately high loss or damage, of which we must be notified immediately, the customer shall be entitled to remedy the defect itself or have it remedied by third parties and to demand that we reimburse him for the expenditure required.
- e. In the event of remedial work we shall bear all of the costs required for the purpose of rectifying the defect, particularly transport and travel costs and the costs of labour and materials, provided these costs are not increased because the subject of delivery was moved to a site other than the place of performance.
- f. In the event that the customer culpably contributes to the cause of the defects, in particular due to his failure to comply with the duty to avoid or reduce damage, we shall be entitled to a damage compensation claim after the subsequent performance which corresponds to the customer's contribution to the cause of the defect.
- g. The customer shall be entitled to the right to rescind the contract if – taking into account the exceptions under statute - a grace period set for us for subsequent performance with respect to a defect is allowed to expire. If the defect is only insignificant, the customer may only demand a reasonable reduction of the contract price. Otherwise, the right to a reduction of the contract price shall be excluded.
- h. For assembly, repairs and other services, section XII.9. shall apply instead of section VIII.1.g
- i. If the use of the subject of delivery within the periods set down in section XII results in the infringement of industrial incorrect or negligent handling, improper maintenance, use of unsuitable operating materials/substitute materials, hazardous ambient conditions unknown to us, chemical, electro-chemical or electrical influences, changes to the subject of delivery made without our consent.

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property rights or copyrights, we shall generally procure the right to continued use for the customer or alter the subject of delivery in such manner that an infringement of the industrial property or copyright no longer exists. If this is not possible on commercially reasonable terms or within a reasonable period, the parties shall be entitled to rescind the contract. We shall indemnify the customer within these periods against undisputed or final and absolute claims of the owners of the industrial property rights.

- j. Subject to section IX, our obligations described in section VIII.1.i are final and conclusive in case of infringements of industrial property rights and copyrights.
- k. The claim to subsequent performance for infringements of intellectual property rights and copyrights shall only exist if
 - the customer informs us immediately in writing, stating the designation and description of the asserted infringements of industrial property rights or copyrights,
 - the customer reasonably supports us in the defence against asserted claims or enables us to carry out the modifications pursuant to section VIII.1.i..
 - we are reserved the right to undertake all defensive measures, including out-of-court settlements,
 - the infringement of industrial property rights or copyrights is not based on instructions or specifications provided by the customer,
 - the infringement of industrial property rights or copyrights was not caused by the fact that the customer autonomously modified the subject of delivery or used it in a manner not conforming to the terms of contract.

- 2. All further claims for defects (especially for compensation for damages not occurring to the subject of delivery itself) are governed exclusively by sections IX and XIII.9.
- 3. In case used products are sold, claims because of defects shall be excluded unless statutory liability applies.

IX. Liability

- 1. We are only liable, even in the event of damage due to a breach of duties during contract negotiations and irrespective of the legal

grounds for liability (especially compensation for damage caused other than to the subject of delivery itself) in the case of:

- intent
 - culpable breach of major contractual obligations,
 - gross negligence by corporate bodies or executive officers
 - culpable bodily harm, death and damage to health,
 - defects we have fraudulently concealed,
 - breach of guarantees of quality or durability,
 - personal injury and property damage to personal items, provided that liability exists under the Product Liability Act for personal used items.
- 2. In the event of the breach of essential contractual obligations we shall also be liable for gross negligence by non-executive employees or for slight negligence by corporate bodies and executive officers. In the event of slight negligence, our liability is limited to reasonably foreseeable damage typical to the given type of contract.
 - 3. Our liability for the destruction of data is limited to the costs which would be required for their reconstruction if the data had been properly saved by the customer.
 - 4. Compensation for mere financial loss is limited by the general principles of good faith, such as in the case of a disproportionate discrepancy between the value of the contract and the extent of the loss or damage.
 - 5. Any further liability on whatever legal grounds, especially for compensation for loss or damage not caused to the subject of delivery itself, shall be excluded.
 - 6. We shall not be liable for the consequences of defects for which no claims for defects are provided for under section VIII.1.c..

X. Insurance claims

To the extent that we have direct claims as a joint policyholder against the customer's insurer with respect to the subject of delivery, the customer hereby gives us his consent to the assertion of such claims.

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XI. Period of limitation

1. Claims for defects by the customer become time-barred 12 months after passage of risk.
2. With the exception of section XI.3., all other claims by the customer, regardless of the legal basis of claim, shall be barred 12 months as of the passing of risk.
3. For harm to life, limb or health, grossly negligent behaviour of corporate bodies and executive officers; intentional or fraudulent acts; the breach of essential contractual obligations or of guarantees and for claims under the Product Liability Act, the statutory limitation periods shall apply.
4. The beginning of the limitation period shall be determined by the statutory provisions.

XII. Assembly, repairs and other services

For assembly, repairs and other services, the following provisions shall apply in addition:

1. The customer shall inform our staff at his own expense about existing safety regulations and safety hazards and shall take all necessary measures to protect persons and property at the workplace.
2. The customer shall support our staff to the extent required at his own expense in the execution of the works and provide the required assistance, such as preparation of the site, provision of tools and lifting equipment, provision of water and electricity, etc.
3. The assistance provided by the customer must ensure that our staff can start with their work immediately after their arrival and carry it out without delay until acceptance.
4. If the customer does not meet his obligations, we are entitled, but not obliged, to carry out the tasks instead of him and at his expense.
5. If our performance cannot be carried out by us on grounds for which we are not responsible, the customer shall compensate us for already rendered performance and any incurred time and expense.

6. Parts replaced in a substitution procedure shall become our property.
7. Should the performance perish or deteriorate prior to acceptance through no fault on our part, the customer shall pay us the price minus any savings in expenses.
8. Repair deadlines are only binding if confirmed by us in writing.
9. In case of assembly, repairs and other services, the customer shall be entitled within the scope of the statutory provisions to make a reduction if,
 - taking into account the exceptions provided for under statute,
 - a reasonable grace period for the rendering of our performance set for us during our default has been allowed to expire. The right to a reduction shall also exist in other cases where remedial work has failed. The customer shall only be entitled to rescind the contract if, despite the reduction, the assembly, repairs and other services are proven to be of no interest for the customer.

XIII. General

1. All taxes, fees and levies in connection with the performance outside of the Federal Republic of Germany shall be borne by the customer and are to be reimbursed to us as the case may be.
2. Personal data shall be stored by us in compliance with the statutory regulations.
3. We shall not reimburse any costs for the return transport of packaging.
4. The customer shall procure at his own expense the licences and/or import/export papers for using the products.
5. The place of performance for the customer's obligations in relation to us is the location of our registered offices.
6. Should individual provisions of these General Terms and Conditions or the contract be or become wholly or partially invalid, this shall not affect the remaining provisions.

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XIV. Applicable law, place of jurisdiction

1. If the customer's registered offices are located within the Federal Republic of Germany, the place of jurisdiction shall be the location of our registered offices. We reserve the right to file an action at the statutory court of the customer.
2. If the customer's registered offices are located outside of the Federal Republic of Germany, disputes shall be settled by arbitration proceedings at the International Chamber of Commerce in Paris in accordance with the ICC Rules of Arbitration. The award shall be final and absolute, and is to be made, with the grounds stated, by three arbitrators. It shall be possible for our insurance company to participate in accordance with the opportunities for participation available in proceedings before a court of law. We reserve the right to enter an action before a court of law having jurisdiction.
3. The laws of the Federal Republic of Germany shall apply to the exclusion of all of the provisions governing the conflict of laws and the UN Convention on Contracts for the International Sale of Goods (CISG).