

General Terms and Conditions of GvA Leistungselektronik GmbH, Boehringer Str. 10-12, D-68307 Mannheim

I. Validity of the Terms and Conditions

1.

The deliveries, services and offers of GvA shall be made, rendered or submitted exclusively on the basis of the present Terms and Conditions. At the latest with the receipt of the goods or services, the present Terms and Conditions shall be deemed accepted. Any General Terms and Conditions to the contrary shall not apply even if we do not expressly object to their application, or if we execute purchase orders despite the fact of being aware of them. Our own General Terms and Conditions shall also apply to any business transacted in the future even if we do not refer to them explicitly once again.

2.

GvA shall retain the ownership title and copyrights in all cost estimates, drawings and other documents; they must not be disclosed to any third parties. Without the customer's approval, GvA shall not disclose to third parties any plans identified as confidential by the customer.

II. Offers and Execution of Agreement

1.

The offers submitted by GvA shall be subject to change and non-binding. The agreement shall only come into being by way of a written or oral order confirmation from the side of GvA. The agreement shall be governed by the terms of the order acknowledgement, unless the customer objects within 5 labour days; this provision shall also apply in the case of any discrepancies between the purchase order and the order acknowledgement.

2.

Any drawings, illustrations, datasheets, specifications, dimensions, weights or other fulfilment data shall only be binding if this was explicitly agreed in writing.

3.

The sales staff of GvA shall not be authorised to enter into any oral side agreements or to make oral promises extending beyond the contents of the written agreement.

4.

If explicitly agreed upon, GvA shall provide the customer with instructions as to putting into operation.

5.

Within the meaning of the present General Terms and Conditions the term of "deliveries" shall also include any manufactured works.

6.

If the deliveries or services provided by GvA to the customer include power-electronic stacks, the provisions laid down by the German Electronic Engineers Association or DIN/IEC shall be deemed agreed upon to the extent to which they are of relevance with regard to the engineering safety of the suppliers and services. If an identical engineering safety can be guaranteed in a different manner, deviations and modifications to the benefit of GvA shall be admissible.

III. Prices

1.

Unless otherwise specified, GvA shall deem itself bound by the prices stipulated in the offers for 30 days from the date.

2.

The prices contained in the order acknowledgement from GvA shall apply including the applicable statutory turnover tax. Any services and deliveries that are agreed upon in addition shall be subject to separate invoicing; this refers in particular to any installation, travelling and transportation costs.

3.

The prices shall be valid ex-works GvA including their loading in the factory, however, excluding package and insurance (co. V.2).

4.

Payment shall be made according to the provisions contained in XI.

IV. Terms of Delivery and Contractual Performance

1.

Any delivery deadlines as well as any periods of time referring to deliveries or to contractual performance shall not be binding unless explicitly agreed upon as binding.

2.

GvA shall not be held accountable for any delays in deliveries or contractual performance resulting from Acts of God or from other incidents which render the delivery considerably more difficult or impossible - and which may include in particular strike, lockout, directives issued by authorities etc, even on the side of suppliers of GvA or its sub-suppliers -, even if they occur in context with terms and deadlines which were agreed as being binding. Such incidents shall give GvA the right to postpone the performance or delivery by the duration of the hindrance under concern, or to withdraw in whole or in part from the contract with regard to the portions unperformed so far.

3.

If the hindrance persists for a duration of more than three months, and after the granting of a reasonable period of grace, the customer shall have the right to withdraw from that portion of the contract which is unperformed so far. If the period for making delivery is extended, or if GvA should be discharged from its obligation to perform, the customer shall not be entitled to derive any damage claims from this fact. GvA must not plead the circumstances referred to above unless it has informed the customer immediately.

4.

In case GvA should be responsible for the nonobservance of periods of time and deadlines which were explicitly promised in a binding manner, or if GvA should be in default for any other reason, the customer shall be entitled to a compensation for default in a maximum amount of 0.5 per cent of each new week of the delay, however, only to a maximum of five per cent of the invoice value of the deliveries and services coming under the delay, if can prove the occurrence of a damage in a credible manner. Any claims extending beyond that scope shall be excluded, unless the delay was caused at least by

gross negligence on the side of GvA, or unless a fixed transaction had been agreed upon.

5.

GvA shall at any time have the right to perform partial deliveries or render partial services.

6.

The observance of the delivery and performance obligation on the side of GvA is conditioned by the timely and proper fulfilment of the obligations on the side of the customer, especially as concerns the timely delivery of any documentation that might be required.

V. Transfer of risk and acceptance

1.

The risk of accidental loss of the goods shall pass upon the customer as soon as the shipment has been handed over to the carrier, or respectively, as soon as the goods have left the production site or the warehouses of GvA for the purpose of being shipped.

2.

If so desired by the customer, the shipment will be ensured at customer's cost against theft, breakage, damage caused by transportation, fire and water as well as against any insurable risks. In this regard GvA shall act as a Waiver customer, i.e. customer exempted from forwarding, logistics and warehousing insurance, which means that the carrier shall not provide any insurance coverage.

3.

If the dispatch is delayed as a result of circumstances which are attributable to the customer (for instance, if the customer fails to call the goods), the transfer of risk upon the customer shall occur from the date of the readiness to dispatch, if the customer has been informed of this readiness to dispatch. If so desired by the customer, GvA agrees to take out at the customer's cost any insurance coverage requested by the customer.

4.

Even in case the goods show minor defects, the delivery of goods, where supplied, has to be taken; the customer shall make a reservation of rights in this regard.

VI. Reservation of Ownership

1.

GvA reserves the ownership title to the goods delivered until the receipt of all payments under the specific delivery contract as well as under any other contracts made between the customer and GvA. The same provision shall apply analogously to development plans, datasheets, application concepts, wiring diagrams, conversion measures and any hard- and software of any description developed by GvA on the basis of the copyright law and corresponding related legal provisions.

2.

Processing or converting the goods shall always be done with GvA being the manufacturer, however, without any obligation on its site. If this co-ownership ends for reason of amalgamation, it is agreed as early as now that the customer's co-ownership or sole ownership of the jointly owned matter shall be transferred upon GvA in proportion to the value (invoice value).

3.

The customer agrees to safeguard the ownership or co-ownership of GvA at no cost. Any goods in which GvA is holding the sole ownership or any co-ownership shall hereinafter be referred to as reserved goods. The customer shall have the right to process and sell the reserved goods in

the course of due business as long as it is not in default. Any pledging or assignment as collateral shall be inadmissible. As early as now, any claims (including all open-balance claims from current account) resulting in context with the reserved goods from the resale or on any other legal ground (insurance, illegal act) shall be assigned in their full scope by the customer to GvA. GvA authorises the customer in a revocable manner to collect the claims assigned to GvA on its own account and in its own name, however, not by way of factoring. The present authorisation to collect may only be revoked if the customer fails to properly fulfil its payment authorisations. In this case GvA shall have a right to require from the customer the immediate provision of all information necessary to assert the assigned claims (in particular as concerns the contact details of the customer's purchasers); the customer shall not have a right to exercise any withholding right against claims of this kind unless the underlying counterclaim has been established in an undisputed or legally binding manner.

4.

If third parties take recourse to any reserved goods, in particular in the form of pledging, the customer shall notify such parties of the ownership title of GvA and inform GvA immediately so that GvA shall be in a position to assert its ownership rights. To the extent to which such a third party is not in position to reimburse GvA for the legal or out-of-court costs to be incurred in context therewith, the customer shall be liable for reimbursement.

5.

In the case of any behaviour on the side of the customer being in contrast to the contract - in particular in the case of default in payment - GvA shall have the right to claim the reserved goods back or to request the assignment of the customer's surrender claims existing against the third party.

VII. Spare parts

GvA shall supply spare parts or equivalent parts at the then applicable spare part prices for a duration of five years following the dispatch of all power-electronic output stages and electronic control systems and driver boards manufactured by it, including other electronic interface systems.

VIII. Warranty

1.

Warranty shall be governed by the provisions of the present contract, supplemented by the legal provisions.

2.

The period of warranty applicable to deliveries and services is one year. In the case of deliveries and services concerning an edifice (§ 438 number 2 and § 634a section 1 number 2 of the German Civil Code (BGB)) this period shall be five years.

3.

The customer shall report any defects immediately to GvA in writing, however, at the latest within one week following the receipt of the object of delivery. Any defects the detection of which was impossible within this period of time despite thorough examination shall be reported to GvA in writing immediately after their detection.

4.

In case of the defectiveness of any goods supplied or in the case of a defective work, GvA shall provide for a subsequent contractual performance at its discretion and costs as follows:

- request the customer to send the defective single part or device or the defective work to GvA, followed by the repair and subsequent return

- deployment of a GvA service technician to the customer's premises for carrying out the repair work

- supply of spare goods being free of defects or re-construction of the work.

If it turns out in the course of the subsequent contractual fulfilment that no defect is present, the customer shall bear all costs incurred on the side of GvA (in particular labour, material and travel costs) at the rate of GvA's standard prices.

5.

If GvA rectifies such defects or supplies a spare piece or any new work, the period of warranty shall amount to three months following the completion of the defect elimination or delivery, respectively. However, its minimum term shall not end prior to the lapse of the initial warranty period. The initial warranty period shall be extended by the duration of the rectification work or the replacement or the new production.

6.

The customer shall only have a right of withdrawal on the basis of the following rules: It may withdraw from the contract if the entire contractual performance becomes impossible for GvA prior to the transfer of risk. The customer shall also have a right to withdraw from the contract if in context with the purchase order of similar objects the execution of a part of the delivery is impossible with regard to the number, and if the customer has a justified interest in declining the acceptance of partial delivery; if this is not the case, the customer shall have the right to reduce the consideration correspondingly. If GvA falls behind with its main performance obligation, and after the customer having granted a reasonable product-specific period of grace which passes unobserved, the customer shall have a right to withdraw. The customer shall also have a right to withdraw if the subsequent contract performance according to subsection 4. has failed (for instance, if a second attempt of subsequent contract performance was unsuccessful) provided that the defect was not only negligible and not related to building work. On the same conditions the customer shall have a right to reduce its consideration instead of cancellation. If building work is concerned, there is only the possibility of reduction under the conditions mentioned.

7.

The customer shall not have any damage claims for defects. This provision shall not apply in the case of malicious concealment of the defect, the issue of a warranty for freedom of defects, injury to life or limb or damage to health, deliberate action or gross negligence or for claims under the Product Liability Act.

8.

If the impossibility to perform results from a reason which is to be attributed to the sphere of the customer, or if the customer provides insufficient technical data for the manufacture of the products from the GvA, or if the customer is responsible for other errors regarding the purchase order, specifications or datasheets, GvA shall be entitled to withdraw from the contract after having granted the customer a reasonable period of grace which lapses without success. In any case, however, the customer shall remain liable towards GvA for the payment of that part of the performance rendered until the moment of the withdrawal.

9.

Warranty claims against GvA shall only be available to the direct customer, and they cannot be assigned.

IX. Liability

Any damage claims on the side of the customer which are not based on the defect but on the nonobservance of any other obligation shall be excluded as well. This exclusion of liability shall not apply in the case of deliberate acts, gross negligence or in the case of any culpable breach of substantial contractual obligations. In the case of a culpable breach of substantial contractual obligations GvA shall only be liable for the

foreseeable loss as is typical for this type of contract; in addition GvA shall not be responsible for the behaviour of a simple agent. The present exclusion of liability shall also be inapplicable with regard to cases in which liability under the Product Liability Act occurs for reason of a malfunction of the objects supplied resulting in physical harm to persons or material damage to privately used objects.

X. Payment

1.

Unless otherwise agreed upon, GvA's invoices shall be due for payment without any deduction within 30 days following the issue of the invoice. Even in the presence of instructions to the contrary received from the side of the customer, GvA shall have the right to use the proceeds of any such payment first on account of former debts existing on the side of the customer, and GvA shall inform the customer about the way of setting-off for which it opted. If any costs and interest should already have occurred or accrued, respectively, GvA shall have the right to use the proceeds of the payment first on account of such costs, subsequently for the interest, and finally on the main claim.

2.

Any payment shall only be deemed made as soon as GvA is in a position to dispose of the funds, should any use restrictions be present from the environment of the customer. In case of cheques, payment shall be deemed made up on the cashing of the cheque.

3.

If GvA learns of any circumstances which may render the creditworthiness of the customer questionable, especially if any cheque remains unhonoured, or if the payments from the side of the customer are ceased, GvA shall have the right to declare the entire remaining debt as being due, even if GvA has accepted cheques or if payment by instalments was contractually agreed upon. In this case, GvA shall also have the right to demand advance payments without collateral. In the case of both default in payment as well as the emergence of knowledge about the lacking credibility of the customer GvA shall be entitled to withdraw from the contract and require the surrender of the products, samples and documents, datasheets, specifications etc from the customer. In this case the customer shall not be allowed to make any transcripts, copies or other re-productions of the object is to be returned.

4.

The customer shall only be entitled to set off or withhold payments for reasons of any counterclaims on its own side if such counterclaims were established in an undisputed or legally winding manner.

XI. Design or Planning Changes

GvA reserves the right to proceed at any time to design changes or planning alterations or to changes of datasheets or specifications. However, it shall not be bound to perform such modifications on any products which were already delivered.

XII. Patents

1.

GvA shall hold the customer and the customer's customers harmless from any claims from the violation of copyright, trademarks and patents, unless the draft of any object to be delivered comes from the side of the customer. The amount of this holding-harmless obligation shall be limited to the foreseeable damage. As an additional condition required for this holding-harmless obligation the leadership in the conduct of any legal disputes shall be left to GvA and the alleged violation of rights is to be attributed to the construction of the

GvA objects delivered alone, i.e. without any conjunction with, or use of, any other products involved.

2.

GvA shall have the right to discharge itself towards the customer from the obligations assumed in the preceding section in the form of individual contracts.

XIII. Confidentiality

Unless otherwise explicitly agreed in writing, any information submitted to GvA in context with purchase orders and specifications shall not be deemed confidential.

XIV. Applicable Law, Place of Venue, Partial Nullity

1.

The present Terms and Conditions including the entire legal relationship between GvA and the customer shall be governed by the laws of the Federal Republic of Germany, with the UN purchase law and the conflict-of-law rules being excluded.

2.

If the customer is a fully qualified merchant within the meaning of the German Commercial Code (HGB) or a legal entity under public law or a special fund under public law, Mannheim shall be the sole place of venue with regard to any disputes resulting directly or indirectly. The same provision shall apply if the customer is a natural person and dislocates its domicile or usual place of residence abroad after the execution of the contract, or if this domicile or place of residence is unknown at the moment of the filing of the action.