

General Terms and Conditions

Gesellschaft für Netzwerk- und Automatisierungstechnologie (N.A.T) mbH
Address: Konrad-Zuse-Platz 1, 53227 Bonn,
Registered Address: Siegstraße 130, 53757 Sankt Augustin,
Court of Registration: Amtsgericht Siegburg, HRB3233

In the following abbreviated by N.A.T.

IMPORTANT NOTE:

The original German General Terms and Conditions are to be considered the deciding document in the case of any disagreement. This translation is intended to aid you in understanding the original German text only.

N.A.T. GmbH, Gesellschaft für Netzwerk- und Automatisierungstechnologie mbH,
Konrad-Zuse-Platz 9, D-53227 Bonn, Germany
Company headquarter: Siegstraße 130, 53757 Sankt Augustin, District Court Siegburg, HR B3233

1. General

- 1.1 These General Terms and Conditions are applicable to all sales agreements and to the complete business between N.A.T. and the Customer. Other conditions or terms, in particular the buyer's general purchasing terms, do not apply, even if they were not expressly rejected by N.A.T.
- 1.2 The Customer accepts the General Terms and Conditions of N.A.T. at the latest on acceptance of the goods.

2. Quotations and orders

- 2.1 All contract negotiations between the parties -- telephone or other agreements, in particular changes to the order -- must be made in writing by both parties. In so far as the negotiations result in changes to the original purchase agreement, the mutual acceptance of the changes must be confirmed in writing.
- 2.2 Orders, placed by the Customer with N.A.T., are legally binding on receipt of the written confirmation by N.A.T.
- 2.3 The written confirmation of an order is replaced by the invoice on immediate order filling.
- 2.4 N.A.T. is not obliged to accept an order, which is based on information from circulars or price lists.
- 2.5 Quotations made by N.A.T. are subject to change unless otherwise noted in writing on the quotation.
- 2.6 These terms and conditions are part of every quotation made by N.A.T.
- 2.7 Assurances regarding product characteristics are only to be considered part of the sales agreement on explicit written confirmation. Data given in brochures is only to be considered as explicitly assured and legally binding on confirmation in writing for the individual case.

3. Prices

- 3.1 The prices are quoted in € (EURO) or US\$ (USD) excluding shipment and packing for delivery ex works (Bonn) plus V.A.T. and any other tax or duty applicable to the delivery on the day of the invoice.
- 3.2 The applicable prices are those of the latest N.A.T. price list.

4. Dispatch and transfer of risk

- 4.1 The customer will be invoiced for the cost of shipping. Shipping will be EXW N.A.T.

4.2 N.A.T. is permitted to make partial deliveries.

5. Conditions of payment

- 5.1 Payment is to be made in full within 30 days on receipt of the invoice and the delivery. Thereafter, with the first request for payment, interest will be calculated on the delinquent sum at the usual bank rates, at least 1 % over the Bundesbank's (German Central Bank) current Lombard margin rate. N.A.T. reserves the right to deliver c.o.d. (cash or non-negotiable check).
- 5.2 The payment terms for development contracts are found in the contract for the project.
- 5.3 If the value of the goods or services delivered in Germany exceeds € 5.000,00 N.A.T. may request security. In case of foreign orders, security may be requested for any purchase.
- 5.4 Security is to be provided as a guarantee of payment from a business bank located in Germany. In particular, security may be required, when N.A.T. must handle substantial expenses in advance, such as off-the-shelf orders or development projects.
- 5.5 Payments will be applied to the oldest debt plus any therefrom resultant interest charges and/or legal costs and finally as purchase payment
- 5.5 Bills of exchange and predated checks will only be accepted with prior written agreement and only for payment purposes. Bank, discount and collection charges are the responsibility of the Customer.
- 5.6 If several bills of exchange are presented for payment, all of them are due in case of the latest bill not being discharged on time.
- 5.7 If the Customer does not meet his financial and/or other responsibilities according to the General Terms and Conditions of N.A.T., if he stops payments, or if bankruptcy proceedings are initiated on his or his legal representatives' assets, the entire remaining debt is payable immediately. In this case, N.A.T. is entitled to declare its resignation from all contracts and to retrieve any already delivered goods (title retention), as well as to demand compensation for all costs resulting from the resignation (e.g. return shipping, depreciation in value, etc.).
- 5.8 In case of the demand for payment, the retention of goods in compensation for demands that are not related to the delivered goods themselves is excluded. A lien on the purchase price can only be made for undisputed or judicially determined demands.

6. Retention of title, encumbrance, or surrender

- 6.1 N.A.T. retains the title to all delivered goods until payment in full has been received for the purchase price including any past-due interest or legal charges.
- 6.2 As long as he is not in arrears, the Customer is entitled to process or sell the goods in accordance with good business practice. Bailment or mortgage of the goods is not permitted. The claims resulting from the resale or any other legal argument regarding the goods are already assigned by the Customer in full as security for N.A.T.. The Customer is always authorized in a revocable manner, to make withdrawals against the assigned claims for his invoice in his own name. Upon the request of the N.A.T., the Customer will disclose the details of the assignment and will supply the involved parties with the necessary information and documents.
- 6.3 In the event that any third-party obtains access to the goods, in particular by attachment or seizure, the Customer must inform the third-party that the goods are the property of the N.A.T. and must inform the N.A.T. immediately. The costs are carried by the Customer.

6.4 In case of behaviour on the part of the Customer that is contrary to the contract, in particular by default of payment, the N.A.T. is entitled to demand that the goods be returned at the Customer's cost or that the claim for possession be assigned to a third-party. The retrieval of the goods does not constitute the cancellation of the contract.

6.5 The risk of loss, damage or wear during the title retention period is carried by the Customer. If the Customer connects the goods with other objects, N.A.T. acquires co-ownership of the connected objects in the ratio of the value of the objects connected with the goods from N.A.T.

6.6 The Customer's right to sell the goods delivered by N.A.T., ends, when the Customer is in arrears or insolvent. In these cases, the Customer must have the written permission from N.A.T. to dispose of the goods subject to approval.

7. Delivery periods

7.1 Since N.A.T. does not manufacture the components used, delivery times can only be given for goods that are on stock. All other delivery times are only estimated times and are not binding in the sense of an agreed upon date. N.A.T. is obliged to immediately inform the Customer in writing of any anticipated delays in the delivery.

7.2 If the previously given "estimated delivery date" is delayed and the resulting date is unacceptable for the Customer, the Customer is entitled to set an appropriate grace period of at least 4 weeks towards N.A.T. If this period elapses without delivery, the Customer is entitled to cancel the order in whole or in part. Further claims are excluded, including claims for indemnification due to nonfulfillment, unless it can be shown that a legal representative or a servant and/or an agent of N.A.T. acted with criminal intent or gross negligence.

7.3 The estimated delivery date written in the sales agreement will be extended appropriately for shutdowns, strike, lockout, failing component delivery by N.A.T.'s and other conditions beyond the control of N.A.T.

8. Cancellation of delivery

8.1 If the customer cancels the order in whole or in part and does not fulfill his obligation to accept the goods, N.A.T. is entitled to claim a lump-sum indemnification.

8.2 Delivery items that were already produced at the time the contract was cancelled are to be paid at the full purchase price.

8.3 A lump-sum settlement of 60 % is to be paid for not-yet-produced goods, if the order is not canceled more than 30 days before the planned delivery date.

8.4 In all other cases, a lump-sum settlement of 40 % of the delivery's net value is to be paid.

8.5 In so far as the customer can prove minor damages, only these proven damages are to be paid. On the other hand, N.A.T. can invoice -- in stead of the lump-sum indemnification -- the actual damages resulting from the cancellation of an order.

8.6 The right to claim indemnification for non-compliance remains untouched if the customer has not paid in accordance with the contract and N.A.T. has thus refused to deliver the remaining goods.

9. Guarantee (Hardware)

- 9.1 N.A.T. guarantees that the delivered hardware is free of material or manufacturing defects, which reduce the value or the suitability of the product for the usual or the contractually defined application.
- 9.2 The guarantee also assures that the product displays those characteristics confirmed in the order confirmation
- 9.3 The guarantee period is for 24 months beginning with the Customer's receipt of the goods.
- 9.4 Within 8 days after receipt of the delivery, the customer must inform N.A.T. in writing of any transport damage or short shipment. The Customer is obliged to promptly inspect the goods delivered by N.A.T. If a defect is found, the Customer is obliged to immediately inform N.A.T. in writing and to return the defective goods free domicile with a detailed description of the defect. If the Customer does not send this letter of advice, the goods are considered as accepted, unless it was not possible to detect the defect with a close inspection. In such a case, the defect must be reported immediately after its discovery, otherwise the goods are to be considered as accepted with this defect.
- 9.5 In the case that the customer's complaint is substantiated, N.A.T. guarantees to rectify the material or manufacturing defect by a repair made in the repair center or through replacement of the affected part.
- 9.6 If the Customer does not accept either of these measures as satisfaction of his guarantee claim, his rights lapse with regard to repudiation, abatement or indemnification including such for installation costs and removal as well as any consequential damages.
- 9.7 N.A.T. accepts no liability for defects in the purchased goods resulting from conditions beyond the control of N.A.T. or from improper use, negligence, modification, improper maintenance, repairs or improper testing by the Customer or his representative.
- 9.8 Removal or modification of the original technical identification leads to expiry of guarantee.
- 9.9 In case the repairs not being successful or the delivered replacement parts being defective, the Customer is entitled to demand abatement (reduction of the purchase price) or repudiation (cancellation) of the purchase agreement.
- 9.10 When selling used hardware, N.A.T. can exclude any guarantee.
- 9.11 N.A.T. personnel and agents are excluded from personal liability.

10. Guarantee (Software)

- 10.1 The laws governing the delivery of the software are those for services (German: *Dienstvertrag*) and not those related to works (German: *Werkvertrag*) or the sale of goods.
- 10.2 If the software developed by N.A.T. does not meet defined customer needs and a complaint is registered in writing regarding these deviations, N.A.T. is obliged to correct the problem within the 24 months legal statute period of limitation.
- 10.3 N.A.T. gives no guarantee for software developed by other companies. For this software, please refer to the terms of the associated license.
- 10.4 Product deviations in the sense of product improvements or upgrades to maintain compatibility are not viewed as defects. Software maintenance and adaptation are not covered by the sales agreement. For these services, the customer would have to enter into a separate consulting contract.

10.5 Liability for indemnification for direct and indirect damages is excluded, unless it can be proven that a legal representative or a servant and/or an agent of N.A.T. acted with criminal intent or gross negligence.

11. Manufacturer's warranty (liability)

11.1 The Customer is exempt from liability in accordance with the EC-Directive Product Liability, in so far as the source of the defect is a product from N.A.T.

11.2 The Customer is not exempt from liability, if the defect in his product in which a product of N.A.T. is used is the result of an improper use of the product from N.A.T. The Customer is also not exempt from liability, if N.A.T. produces a product in accordance with the customer's instructions, but without knowledge of the final product or without the possibility to check the application.

11.3 If N.A.T. is exempt from liability by the clauses in Art. 7 of the EC-Directive this does not result in exempting the Customer from liability.

12. Export and Re-Export

12.1 All deliveries from N.A.T. are conditional on receiving an export permit in accordance with the Federal Republic of Germany's foreign-trade laws. The Customer is obliged to inform himself regarding the effective foreign-trade laws.

12.2 The products and technical know-how delivered by N.A.T. are restricted by the existing licenses and copyrights to use within the Federal Republic of Germany. For re-export as individual components or integrated in a system, the customer must seek the appropriate authorizations.

13. Place of jurisdiction

13.1 Any disputes arising hereunder (out of or about this contract) will be settled before District Court at Siegburg.

13.2 The legal relations between the parties are governed exclusively by the laws of the Federal Republic of Germany.

14. Miscellaneous

14.1 If the Customer cannot fulfill his obligations from the sales agreement, N.A.T. can, irrespective of the assertion of all other rights, refuse to make any further delivery.

14.2 If any clause in the General Terms and Conditions is declared legally inoperative, the clause is to be seen as replaced by a regulation that closely matches the economic intention of the inoperative clause and satisfies the interests of the involved parties. All other clauses remain effective.

14.3 The Customer cannot transfer his rights to a third-party without the prior written agreement of N.A.T.

14.4 If a customer is covered by the laws regarding the protection of personal data, he declares his acceptance of the processing of his data in so far as necessary for the purpose of this agreement.

14.5 N.A.T. retains the copyright as well as the application and exploitation rights for the delivered goods. Copies of the individual components or systems delivered by N.A.T. may only be made with the prior written agreement of N.A.T.

14.6N.A.T. software may only be copied for in-house use or backup. For software not made by N.A.T., please see the relevant copyright regulations.