

General Terms and Conditions
of ANT Applied New Technologies AG
as of July 2006

I. General

1. All deliveries and services are subject to these Terms and Conditions and any special contractual agreements. Deviating terms and conditions of purchase of the Buyer shall not become part of the contract as a result of an order acceptance. In the absence of a special agreement, a contract shall materialise upon the issue of a written order confirmation by the Supplier.
2. The Supplier shall retain proprietary and copyrights to specimens, cost estimates, drawings and similar information of a physical and non-physical nature - also in an electronic form; they may not be made available to third parties. Confidential information and documents designated as such by the Buyer shall only be made available to third parties by the Supplier with its written consent.
3. Forwarded documents relating to the offer, such as catalogues, flyers, pictures, drawings and technical data contain just approximate information and descriptions.
4. Variations of the delivery item of offers, samples, test- and pre-deliveries are acceptable due to provisions of each valid DIN or standards.

II. Price and Payment

1. In the absence of a special agreement, prices are ex works, including loading in the works but excluding packaging and off-loading. Prices are subject to value-added tax at the statutory rate.
2. In the absence of a special agreement, payment shall be made to the account of the Supplier with no deduction, namely one-third upon receipt of the order confirmation, one-third as soon as the Buyer has been notified that the main components are ready for despatch and the balance within one month of the transfer of risk.
3. The right to withhold payments or to offset counter-claims shall only be permitted for the Buyer insofar as its counter-claims are undisputed or have been established by declaratory judgement.

III. Delivery, Delivery Period and Delivery Delays

1. Dispatch as well as forwarder and freight carrier are to be determined by purchaser or supplier depending on the contractual agreement. If the purchaser wants the supplier to take over organisation and handling of the transport, contrary to the supply agreement, the purchaser will be charged by 10% handling fee on all costs and expenses occurred within the scope of the transport.
2. In case that the transport in the intended way or to the intended location will be impossible within the scheduled time at no fault of the supplier, the supplier is entitled to deliver in another way, the purchaser bears the additional costs. Before the purchaser will get the possibility for a statement.
3. The delivery period is based on the agreements by the contracting parties. Compliance therewith on the part of the Supplier presupposes that all commercial and technical matters have been clarified by the contracting parties and that the Buyer has performed all its obligations, e.g. the provision of the necessary official licenses or approvals or remittance of a down-payment. If this is not the case, the delivery period shall be extended adequately. This shall not apply if the delay is attributable to the Supplier.
4. Compliance with the delivery period shall be subject to correct and timely deliveries to the Supplier by its subcontractors. The Supplier shall notify any anticipated delays as soon as possible.
5. The delivery period shall be deemed to have been complied with if the contract goods have left the works of the Supplier by the end of the aforesaid period or if readiness to supply has been notified. If formal acceptance is necessary, the acceptance date shall apply, or alternatively the notification of acceptance readiness, provided there are no reasons for justified refusal of acceptance.
6. If despatch or acceptance of the contract goods is delayed for reasons attributable to the Buyer, the costs incurred as a result of the aforesaid delay shall be charged to the Buyer commencing one month after notifying despatch or acceptance readiness.
7. If non-compliance with the delivery period is attributable to force majeure, labour disputes or any other occurrences which cannot be influenced by the Supplier, the delivery period shall be extended adequately. The Supplier shall notify the Buyer of the commencement and end of the aforesaid circumstances as soon as possible.
8. The Buyer shall be entitled to withdraw from the contract without notice if the Supplier is finally and conclusively unable to deliver any of the contract goods prior to transfer of risk. The supplier is entitled to reasonable part-deliveries. The Buyer shall be obliged to pay the contract price attributable to the part-delivery. The same shall apply in the event of inability on the part of the Supplier. Section VII.2 shall apply in other respects.
If impossibility or inability occurs during default of acceptance caused by the Buyer or if the Buyer is wholly or mainly responsible for the aforesaid circumstances, it shall be obliged to effect full consideration as contracted.

IV. Transfer of Risk and Formal Acceptance

1. The risk shall pass to the Buyer when the contract goods have left the works of the Supplier, also in case of part-deliveries or in case the Supplier has assumed other performances such as despatch costs and/or delivery and installation. If formal acceptance is necessary, this shall be relevant for the transfer of risk. Acceptance procedure has to be carried out immediately on the agreed date or otherwise after notice of the Supplier on readiness for acceptance. The Buyer may not refuse acceptance if an immaterial defect is identified.
2. If despatch or acceptance is delayed or not effected for reasons which are not attributable to the Supplier, the risk shall pass to the Buyer on the date on which despatch or readiness for acceptance is notified. The Supplier undertakes to take out any insurances requested by the Buyer at Buyer's cost.
3. Part-deliveries shall be permitted if these are reasonably acceptable for the Buyer.

V. Retention of Title

1. The Supplier shall retain its ownership of the contract goods until all payments have been received entirely according to the contract.
2. The Supplier shall be entitled to insure the contract goods against theft, breakage, fire, water and any other damages at Buyer's cost unless the Buyer is able to prove that it has concluded such insurances itself.

3. The Buyer may not sell, pledge or assign the contract goods by way of security. If the contract goods are pledged or seized or otherwise possessed by third parties, the Buyer shall notify the Supplier thereof immediately.
4. In the event of the Buyer acting in contradiction to its contractual obligations, especially in case of late payment, the Supplier shall be entitled to take back the contract goods after having issued an appropriate reminder and the Buyer shall be obliged to return the goods.
5. The Supplier shall only be entitled to demand return of the contract goods on the strength of the reservation of title after withdrawal from the contract.
6. A petition for the commencement of insolvency proceedings shall entitle the Supplier to withdraw from the contract and to demand an immediate return of the contract goods.

VI. Liability for Defects

The Supplier shall remedy any defect or nonconformity of deliverables. Subject to the provisions stipulated in Section VII the Supplier shall not be under any further liability.

Physical defects:

1. All those parts or components shall be rectified or replaced free of charge and defect-free at the option of the Supplier which prove to be defective on account of facts or circumstances arising before the transfer of risk. The identification of such defects shall be reported to the Supplier in writing without delay. Replaced parts or components shall become the property of the Supplier.
2. After consultation with the Supplier, the Buyer shall allow the Supplier the necessary time and opportunity to carry out all the rectifications and replacement deliveries which the Supplier considers necessary; the Supplier shall otherwise be exempt from liability for consequences resulting thereof. Only in urgent cases causing risks to operating security and in order to avert disproportionately large damages the Buyer shall be entitled to rectify defects itself or to have them rectified by third parties and to demand reimbursement of the expenses involved from the Supplier whereby the Supplier is to be informed of the aforesaid immediately.
3. Out of the direct costs incurred as a result of the rectification or replacement delivery, the Supplier shall bear the costs for the replacement, including despatch, insofar as the complaint proves to be justified. The Supplier shall also bear the costs of dismantling and installing the replacement together with the costs of any mechanics and ancillary workers, including their travelling expenses, provided this does not constitute a disproportionately large charge for the Supplier.
4. The Buyer shall be entitled to withdraw from the contract within the scope of the relevant legal regulations and laws if the Supplier fails to comply with a reasonable and commensurate period of grace set for the rectification or replacement of a physical defect with no response on its part. If the defect is only immaterial, the Buyer shall only be entitled to reduce the contract price. The right to reduce the contract price shall be excluded in all other respects. Additional claims shall be determined on the basis of Section VII. 2 of these Terms and Conditions.
5. No warranty shall be assumed in the following cases in particular: inappropriate or improper use, defective assembly or putting into operation by the Buyer or third parties, natural wear and tear, wrong or careless handling or treatment, improper maintenance, unsuitable operational supplements or lubricants, defective construction work, unsuitable building ground and chemical, electrochemical or electric influences - insofar as they were not attributable to the Supplier.
6. If the Buyer or a third party makes improper rectifications, the Supplier shall assume no liability for the consequences arising therefrom. The same shall also apply for changes or amendments made to the contract product without prior consent by the Supplier.

Defects in Title:

7. If the use of the contract product infringes any industrial or intellectual property rights of copyrights in Germany, the Supplier shall basically acquire the right for the further use of the contract products by the Buyer at the cost of the Supplier or shall modify the contract product in an acceptable manner for the Buyer in such a way that infringement of the industrial or intellectual property right no longer applies.

The Buyer shall be entitled to withdraw from the contract if this is not possible on reasonably acceptable economic conditions or within a reasonable period of time. The Supplier shall also be entitled to withdraw from the contract if the same prerequisites apply.

The Supplier shall also indemnify the Buyer against undisputed claims of the industrial or intellectual property right holder or against claims which have been established by declaratory judgement.

8. The obligations of the Supplier referred to in Section VI.7 shall be final and conclusive subject to Section VII.2 in respect of breaches of industrial or intellectual property rights and copyrights. They shall only apply

- if the Buyer immediately informs the Supplier of all and any infringement of industrial or intellectual property rights and copyrights which have been asserted,
- if the Buyer supports the Supplier to a reasonable extent in its defence against the asserted claims or enables the Supplier to execute the modification measures referred to in Section VI.7,
- if the right for execution at any defence measures, including extra-judicial rulings remains with the Supplier,
- if the defect in title is not attributable to an instruction issued by the Buyer and
- if the infringement was not caused by the fact that the Buyer has modified the contract product on its own responsibility or if the Buyer has used the contract product in a non-contractual manner.

VII. Liability

1. If the contract product cannot be used in accordance with the contract on account of blame or negligence on the part of the Supplier due to non-execution or defective execution or suggestions and discussions carried out before and after the conclusion of the contract or on account of a breach of other ancillary contractual obligations - especially instructions for operation and service/maintenance of the contract product - the provisions referred to in Section VI and VII.2 shall apply correspondingly to the exclusion of any other claims.

2. The Supplier shall, regardless of whatever legal ground, be liable for damages others than being sustained by the contract product itself only

- a. in the event of wilful intent

- b. in the event of gross negligence on the part of the proprietor / the executive bodies or senior managers
 - c. in the event of culpable injury to life, body or health
 - d. in the event of defects which it maliciously concealed or the absence of which it has guaranteed,
 - e. in the event of defects in the contract product insofar as it is liable in accordance with the German Product Liability Act for personal and property damages caused to items used for private purposes.
- In case of culpable breach of material contractual obligations the Supplier shall be liable also in the event of gross negligence on the part of other employees. Further claims are excluded.

VIII. Statute of Limitation

1. All claims of the Buyer shall be statute-barred in 24 months regardless of their legal ground, outside Germany in 12 months. The relevant statutory periods shall apply for compensation claims referred to in Sections VII.2 a-e. They shall also apply for defects in a building construction or for deliverables having caused such defects provided those deliverables are typically used within a building construction.

IX. Use of Software

1. If software is included within the scope of delivery, the Buyer shall be granted a nonexclusive right to use the delivered software, including its documentation. It shall be assigned for use on the contract product that it was designed for. Operation of the software on more than one system is prohibited.
2. The Buyer may only copy, revise, translate or convert from the object code to the source code the software to the extent permitted by law (§§ 69 a et seq. of the German Copyright Act). The Buyer shall be obliged not to remove the manufacturer's specifications - especially the copyright references - nor to change them without the express prior consent of the Buyer.
3. All other rights to the software and documentation, including copies, shall remain with the Supplier or with the software supplier. Granting sub-licenses is not permitted.

X. Applicable Law and Legal Venue

1. The relevant laws of the Federal Republic of Germany shall apply exclusively to the exclusion of the Uniform Law on the International Sale of Goods (EKG), the Uniform Law on the Formation of Contracts for the International Sale of Goods (EAG) and of the UN Convention on Contracts for the International Sale of Goods for all legal relationships between the Supplier and the Buyer.
2. The legal venue is the competent court for the domicile of the Supplier. The Supplier is entitled to bring legal action at the principal place of business of the Buyer, however.
3. Should the provisions herein be in part legally invalid or incomplete, the validity of the remaining provisions shall remain unaffected.