



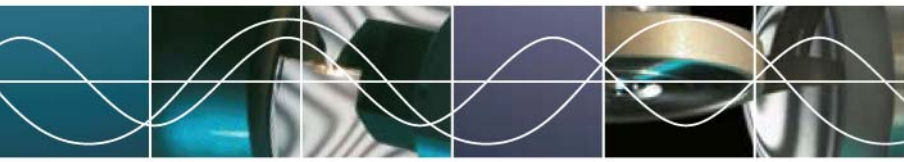
SCHNEIDER
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General Terms and Conditions of Sale

of

SCHNEIDER GmbH & Co. KG

(hereinafter referred to as “SCHNEIDER”)



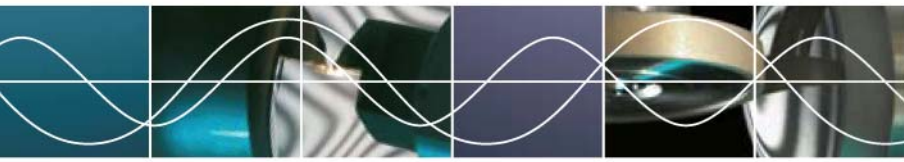
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1. General – Scope of Application

- 1.1 These general terms and conditions of sale of SCHNEIDER, as amended, shall apply to all current and future orders placed by domestic or foreign customers (each, a “**Customer**,” and, collectively, “**Customers**”) with SCHNEIDER or with companies affiliated with SCHNEIDER as defined by § 14 *et seq.* of the German Stock Corporation Act (“*Aktiengesetz*” - **AktG**) (hereinafter referred to as “**Affiliates**”), unless Schneider expressly and in writing agrees to alternate terms. Any additional terms or subsequent changes shall not be binding on SCHNEIDER unless acknowledged by SCHNEIDER in writing. Written acknowledgment by Schneider is also required for any elimination of the written form requirement. Customer’s acceptance of deliveries and services shall constitute acceptance of these general terms and conditions of sale.
- 1.2 Customer’s terms and conditions of purchase shall only be binding on SCHNEIDER if expressly acknowledged by SCHNEIDER in writing. The same applies to any other general terms and conditions of Customer.

2. Quotations – Quotation Documents

- 2.1 Unless otherwise set forth in SCHNEIDER’s quotation, SCHNEIDER’s quotation shall be open for a period of six weeks.
- 2.2 SCHNEIDER shall be entitled to accept orders placed by Customer within a period of six weeks. Customer’s order shall be open for said period.
- 2.3 Occasionally, SCHNEIDER shall be entitled to clarify the basic conditions of an order thereby extending the above-mentioned time period, provided that Customer has previously been notified in writing about such extension. Any order clarification shall not take longer than three months.
- 2.4 All intellectual property rights (including, without limitations, copyrights) with respect to images, drawings, calculations and other documents shall remain the sole property of SCHNEIDER. This shall also apply to written documents which are marked “confidential”. Customer may not disclose said documents to third parties without SCHNEIDER’s express prior written consent. At SCHNEIDER’s request, Customer shall return those documents to SCHNEIDER.
- 2.5 Unless otherwise expressly agreed, the specifications of the Goods, including, without limitation any equipment, accessories, and attachments (including replacements thereof or spare or replacement parts thereof), any installation, repair, maintenance and

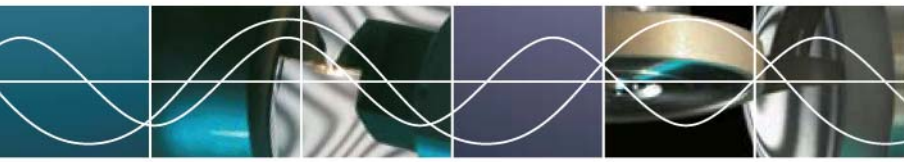


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instructional services, and any processes or know-how (whether patentable or otherwise) and software (hereinafter referred to as “**Goods**”), delivered by SCHNEIDER and their potential use is exclusively identified in the text or images (e.g., descriptions, images or drawings) of the catalogues, brochures and other publications issued by SCHNEIDER. The descriptions provided in this respect contain approximate values in line with industry standards, unless the order confirmation expressly states that the described values are binding. Information from other manufacturers shall not be binding. Documents containing final details will be provided as appropriate once the contract is signed if the parties’ business relationship so requires. SCHNEIDER reserves the right to change the technical concept on which the quotation is based, provided that the performance and quality of the Goods offered will not be impaired by such change.

3. Scope of Performance

- 3.1 The delivery commitment includes the items of delivery, such as the materials, goods and/or products and performance confirmed by SCHNEIDER in writing. If the Goods are to serve special Customer purposes, such special purposes, as well as the requirements that the Goods have to meet, must be expressly and thoroughly specified in Customer’s order and confirmed by SCHNEIDER.
- 3.2 In the event of CIF (Cost Insurance and Freight - Incoterms 2000) deliveries, charges levied in the port of destination for unloading, lighterage and landing, as well as port and quay dues, are not included in the price.
- 3.3 Any sales, value added, turnover, use or similar taxes, export or custom charges, tariffs, fees or other levies, taxes, duties, governmental charges or surcharges now or hereafter imposed under any present or future law outside the Federal Republic of Germany in connection with the production, sale, delivery, use or proceeds of the Goods, , shall be payable by Customer, and if such taxes or fees are paid or are required to be paid by SCHNEIDER, the amount thereof shall be added to and become part of the price payable by Customer hereunder. If the parties agree that delivery shall include customs or other duties, the price given is based on the rates effective at the time of the offer. In accordance with the Incoterms rules the costs charged shall be either those offered or the actual costs. Any applicable turn over, value added or sales tax shall be charged additionally.
- 3.4 SCHNEIDER shall only be obliged to comply with foreign packaging and weighing instructions and customs regulations, if Customer provides SCHNEIDER timely with proper instructions. Any additional costs incurred in connection with the foregoing shall



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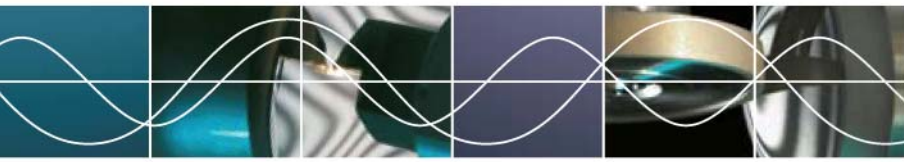
be borne by Customer.

4. Prices

- 4.1 Unless otherwise expressly specified, all prices are net prices and do not include value added tax, sales tax or turnover tax. Value added tax, sales tax or turnover tax, if applicable, shall be paid by Customer at the applicable statutory rate. All prices are Ex Works (Incoterms 2000) respective SCHNEIDER manufacturing plant and include loading at the manufacturing plant but exclude packaging, transport and unloading. Unless otherwise specified, all prices are in EURO.
- 4.2 SCHNEIDER reserves the right to adjust the prices if the basis for the price calculation changes.
- 4.3 Agreements regarding price discounts have to be made in writing.
- 4.4 Any discounts granted to Customer shall be cancelled in the event that (i) Customer defaults on any payments owed to SCHNEIDER, (ii) bankruptcy proceedings against the assets of Customer are initiated, or (iii) the opening of bankruptcy proceedings is rejected due to lack of sufficient assets.

5. Terms of Payment

- 5.1 Payments have to be made in the currency stated in the invoice with postage and charges paid. Payment may only be made to the paying agents specified by SCHNEIDER. Bills of exchange and checks will not be considered payment until they have been honored and will be accepted without any obligation for timely presentation and timely protest.
- 5.2 Unless otherwise expressly agreed, payments shall be made in full within 14 days from the date of the invoice. If Customer exceeds the foregoing time limit, SCHNEIDER shall be entitled to demand interest in the amount of 8 percentage points above the base lending rate (§ 247 German Civil Code ("*Bürgerliches Gesetzbuch*" - **BGB**)) p.a.
- 5.3 Customer may only offset against counterclaims if the counterclaims are uncontested or have become legally binding and non-appealable. The maximum amount that Customer may retain as a result of defective Goods shall be three times the amount of the costs for subsequent performance ("*Nacherfüllung*"). If Customer exercises its right to withhold payment ("*Zurückbehaltungsrecht*"), it shall be obligated to provide security in the amount of the unpaid portion of the purchase price either, at SCHNEIDER's



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discretion, by bank guarantee or by depositing such amount with a notary of its choice.

5.4 In the event of a default in payment, SCHNEIDER shall be entitled to:

5.4.1 Request immediate payment of all claims arising from this or any other transaction, even those which have not yet become due;

5.4.2 Delay deliveries or other performances under this or any other order until all of SCHNEIDER's outstanding claims arising from this or any other orders have been satisfied in full by Customer;

5.4.3 Demand appropriate security;

5.4.4 Reclaim the Goods subject to retention of title or claim any other security interest granted by Customer. If the Goods, due to lapse of time, are no longer usable or fully usable, SCHNEIDER shall have the right to be compensated for the loss in value ("*Wertausgleich*").

5.5 If, subsequent to the signing of the contract, SCHNEIDER becomes aware of facts evidencing a material deterioration of Customer's financial condition which in the judgment of a prudent businessman could threaten SCHNEIDER's claim for consideration (including, but not limited to, a petition in bankruptcy), SCHNEIDER shall up to the time of its performance be entitled to (i) demand sufficient security within a reasonable time period or (ii) condition delivery upon concurrent payment of the consideration. If Customer does not timely comply with such request, SCHNEIDER may rescind the contract or claim damages. In this situation, SCHNEIDER shall be entitled to render all amounts - including deferred payments - immediately due for payment.

6. Delivery Times, Delay, Force Majeur

6.1 Delivery dates shall only be binding if confirmed by SCHNEIDER in writing.

6.2 Compliance with delivery dates shall be subject to a complete clarification of the order and of all technical and commercial issues, grant of all permits and timely receipt by SCHNEIDER of all documents, payments and securities to be provided by Customer. The foregoing shall not apply if SCHNEIDER is responsible for the delay. Delivery periods shall be reasonably extended if the above mentioned Customer obligations have not been timely fulfilled. The delivery dates shall be deemed complied with if, on the last day of the delivery period, the Goods have left SCHNEIDER's plant or warehouse or Customer has been notified that the Goods are ready for dispatch, or if



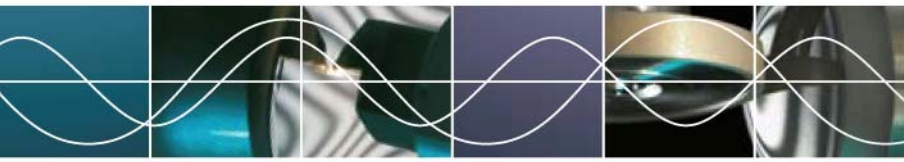
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without SCHNEIDER's fault the Goods cannot be shipped on time.

- 6.3 Unforeseeable, exceptional events for which SCHNEIDER cannot be held responsible (e.g., labor disputes, interruptions of operations, governmental actions, transportation issues or other events of force majeure) regardless of whether these events occur at SCHNEIDER or at one of its suppliers, shall release SCHNEIDER from its obligations under the respective contract; however, if these obstacles are of a temporary nature, SCHNEIDER shall only be released for the duration of the hindrance plus a reasonable start-up period. SCHNEIDER will notify Customer as early as possible of the commencement and termination of such events. If, as a result of such events, delivery subsequently becomes impossible (*"nachträglich unmöglich"*) or unreasonable for one of the parties, both parties shall be entitled to rescind the contract.
- 6.4 Customer shall not be entitled to demand liquidated damages (*"Vertragsstrafe"*) unless the parties have agreed to such liquidated damages in a separate agreement. SCHNEIDER shall not be liable for damages caused by delays resulting from a negligent breach of duty (*"leicht fahrlässige Pflichtverletzung"*) unless such breach of duty results in injury to life, body or health. The aforementioned provisions shall not shift the burden of proof to Customer's detriment.
- 6.5 Customer shall bear any additional costs resulting from an interruption of, or a delay in, SCHNEIDER's performance which is caused by Customer. The same shall apply in the event that Customer is in default of acceptance.
- 6.6 If shipment is delayed due to reasons for which SCHNEIDER cannot be held responsible, SCHNEIDER may store the Goods at Customer's risk and expense. In addition, SCHNEIDER shall be entitled to purchase insurance against storage risks at Customer's expense.
- 6.7 If Customer is responsible for providing the means of transportation for delivery but fails to do so at the scheduled time, SCHNEIDER shall be released from its delivery obligation by storing and insuring the Goods at Customer's expense and risk. The forwarder's certificate of receipt shall be deemed proof of delivery in accordance with the contract.

7. **Passing of Risk, Insurance**

- 7.1 Unless otherwise specified in the order confirmation, the parties agree to delivery "Ex Works" (Incoterms 2000). In case delivery occurs due to warranty claims of the Customer according to the General Terms and conditions of sale of SCHNEIDER the



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Parteis agree to delivery “Delivered Duty Unpaid” (Incoterms 2000), in case delivery occurs because SCHNEIDER is unable to provide commissioning as agreed in and according to the order confirmation the Parties agree that any delivery of any substitute hereto occurs “Delivered Duty Paid” (Incoterms 2000). In any case the risk of accidental damages or loss shall pass to Customer once the Goods are ready for dispatch.

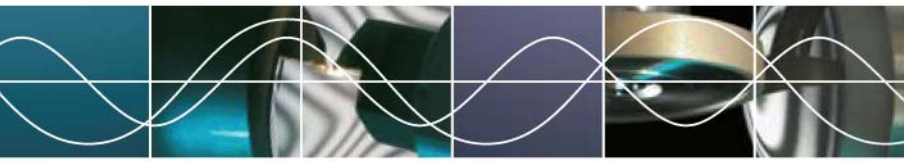
7.2 At Customer’s request and expense, SCHNEIDER will purchase cargo insurance to cover transportation risks.

8. Liability for Defects

8.1 SCHNEIDER warrants that at the time when the risk passes to Customer the Goods will conform to the agreed specifications. However, SCHNEIDER’s liability for defects is subject to compliance with the operational conditions and guarantee requirements specified by SCHNEIDER which require, among other things, the following: (i) compliance with the operation requirements of the Goods which are set forth in SCHNEIDER’s service manuals, operating instructions and product descriptions (collectively, “**SCHNEIDER’s Manuals**”); (ii) exclusive operation of the Goods by trained operators and engineers; (iii) strict adherence to the machine specific environment conditions defined by SCHNEIDER and applicable to the Goods; (iv) strict and regular maintenance of the Goods by specifically trained personnel in accordance with SCHNEIDER’s Manuals; (v) immediate replacement of all worn and defective parts; and (vi) protection of the Goods against viruses and unauthorized access by third parties. System failures and crashes are not covered by the warranty unless they are caused by the Goods or their component parts. With respect to ophthalmic Goods, SCHNEIDER shall only be liable for defects if Customer exclusively uses spare parts, tools, supplies and consumables provided or recommended by SCHNEIDER, if Customer provides correct specifications and data, in particular with respect to the casting of the glasses, the tongs, the tool dimensions and the process parameters and if a change of tools is made in accordance with SCHNEIDER’s specifications.

8.2 As a precondition to any warranty claim, Customer has to properly comply with its duty to inspect the Goods and give notice of any defect in accordance with § 377 of the German Commercial Code (“*Handelsgesetzbuch*”).

8.3 If a legitimate defect exists, Customer’s only remedy at first shall be subsequent performance (“*Nacherfüllung*”), which, at SCHNEIDER’s discretion, can be met by delivering new Goods (requiring the return of the rejected Goods) (“*Nachlieferung*”) or by repairing the defective Goods (“*Nachbesserung*”). If subsequent performance fails, is unreasonable for Customer (§ 440 BGB) or not required because



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8.3.1 SCHNEIDER ultimately refuses subsequent performance,

8.3.2 SCHNEIDER fails to comply with its subsequent performance obligation within the time period set forth in the contract or otherwise agreed upon by the parties, and Customer contractually conditioned its interest in Schneider's Goods on Schneider's timely performance, or

8.3.3 special circumstances exist which after weighing the interests of both parties justify an immediate rescission of the contract (§ 323 par. 2 BGB),

then Customer, at its discretion, shall immediately be entitled to reduce the purchase price or rescind the contract and demand damages instead of performance or reimbursement for futile expenses (expenses reasonably incurred in anticipation of the delivery of the Goods pursuant to § 284 BGB) ("*vergebliche Aufwendungen*") in accordance with this art. 8.

8.4 Customer must provide SCHNEIDER with (at Customer's reasonable discretion) sufficient time and opportunity to repair the defective Goods. If Customer does not comply with the foregoing, SCHNEIDER shall be released from its duty to repair the defective Goods.

9. Liability for Damages

9.1 SCHNEIDER shall be liable for damages resulting from culpable injury to life, body or health in accordance with the applicable statutory provisions.

9.2 Apart from that, SCHNEIDER's liability in contract, tort or otherwise shall be limited to cases of intentional misconduct and gross negligence. Schneider's vicarious liability for gross negligence of its employees, staff and agents ("*Erfüllungsgehilfen*") is hereby excluded.

9.3 The limitation and exclusion of liability set forth in art. 9.2 shall not apply to contractual obligations whose performance enable the proper fulfilment of the contract and whose compliance Customer can regularly rely on (so-called cardinal duties or duties material to the contract) ("*Kardinalpflichten*").

9.4 Liability shall be limited to damages that are typical for this type of contract and that were foreseeable for SCHNEIDER at the time the contract was executed based on the circumstances then known to SCHNEIDER.



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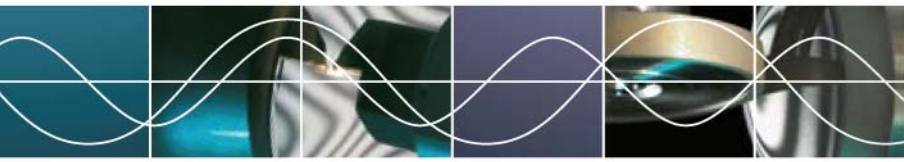
- 9.5 Any further liability shall be excluded regardless on which theory of law it is based. In particular, SCHNEIDER shall not be liable for lack of economic success, lost profits, indirect damages, consequential damages (*“Mangelfolgeschäden”*) and damages resulting from third party claims.
- 9.6 The above-mentioned liability limitations shall also apply to claims for reimbursement of futile expenses (*“vergebliche Aufwendungen”*) (§ 284 BGB).
- 9.7 The foregoing provisions shall not shift the burden of proof to Customer’s detriment.
- 9.8 Claims for damages based on the Product Liability Act (*“Produkthaftungsgesetz”*) remain unaffected.

10. Limitation of Action

All of Customer’s claims – regardless on which theory of law they are based – become time-barred after 12 months. All claims for damages pursuant to art. 9.1. shall be subject to the statutory limitation periods.

11. Inspection and Acceptance

- 11.1 Inspections in the presence of Customer or its representative and special inspections are subject to prior agreement between the parties; SCHNEIDER shall be entitled to invoice Customer for the inspection costs.
- 11.2 If the Goods are to undergo an acceptance test, such test, as a rule, shall be performed at SCHNEIDER’s manufacturing premises. Subject to SCHNEIDER’s written consent, acceptance may, in individual cases, take place at Customer’s premises. Customer shall be deemed to have accepted the Goods if Customer has not raised legitimate objections by the end of the acceptance test.
- 11.3 The Goods shall be deemed accepted if Customer waives an agreed acceptance test or if the test is completed in the absence of Customer even though Customer was duly notified.
- 11.4 If the tests are delayed due to reasons for which SCHNEIDER cannot be held responsible, any additional costs incurred due to such delay shall be borne by Customer.



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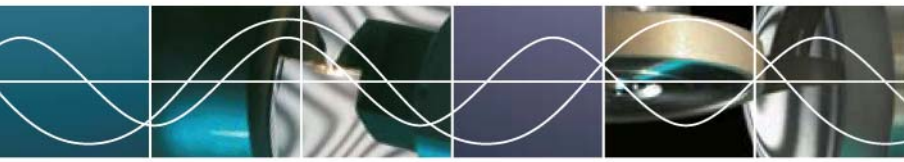
12. Retention of Title (“*Eigentumsvorbehalt*”)

- 12.1 All Goods delivered shall remain property of SCHNEIDER until the purchase price and all other ancillary claims have been paid in full (such Goods will be hereinafter referred to as “**Retained Goods**”). When bills of exchange and checks are accepted, they will not be considered payment until they have been honored. The ancillary claims include, in particular, costs for packaging, freight, insurance, bank charges, charges incurred when reminding Customer that payment is past due (“*Mahngebühren*”), attorneys’ fees, court fees and other costs and expenses.
- 12.2 In case of a current account, the retention of title serves as security for any balance owed to SCHNEIDER. Goods already paid for shall remain SCHNEIDER’s property until all of SCHNEIDER’s outstanding claims have been paid.
- 12.3 Customer shall store the Retained Goods as customary in the industry for the benefit of SCHNEIDER. Customer must store the Retained Goods separately and mark them as SCHNEIDER’s property. SCHNEIDER shall be entitled to check whether the Retained Goods are marked and stored separately after providing Customer with limited advance notice. If a petition in bankruptcy is filed against the assets of Customer, SCHNEIDER itself shall be entitled to immediately mark the Retained Goods as SCHNEIDER’s property and/or to repossess them. Customer shall be liable for any loss of SCHNEIDER’s Retained Goods. Customer shall be obliged to insure the Retained Goods, at its expense and for the benefit of SCHNEIDER, against all risks, in particular against fire, water and theft. Customer hereby assigns all future insurance claims to SCHNEIDER. SCHNEIDER must be immediately notified of any incurred loss or damage. If Customer fails to provide proof of insurance, SCHNEIDER shall be entitled to insure the Goods, at Customer’s expense, against the above-mentioned risks.
- 12.4 Any processing of or modification to the Retained Goods shall be performed for SCHNEIDER as “manufacturer” (as such term is defined in § 950 BGB), without creating any obligations for SCHNEIDER. Processed Goods shall be considered Retained Goods as defined in art. 12.1. If Customer processes, combines or mixes Retained Goods with other goods, SCHNEIDER shall be entitled to jointly own the new good in proportion of the invoiced price of the Retained Goods to the invoiced price of the other goods used. If SCHNEIDER’s ownership in the Retained Goods ceases due to the combination or mixing with other goods, Customer hereby transfers part of its ownership rights in the new good equalling the invoiced price of the Retained Goods used in the new goods and agrees to store the new goods for SCHNEIDER free of charge. The joint ownership rights hereby created shall be deemed Retained Goods within the meaning of art. 12.1.



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- 12.5 Customer shall only be entitled to resell, process, combine or mix the Retained Goods with other goods (hereinafter collectively referred to as “**Resale**” of the Retained Goods) if such action is taken in the proper course of business and if Customer is not in default. Any other disposition of the Retained Goods is not permitted. SCHNEIDER must be immediately notified of any third party attachments or other seizures of the Retained Goods. The costs of any intervention, e.g., costs for commencing an action to prevent the foreclosure of a third party into Customer’s assets (“*Drittwiderspruchsklage*”) in accordance with § 771 German Code of Civil Procedure (“*Zivilprozeßordnung*”), shall be borne by Customer if such costs cannot be collected from the third party (the defendant in the action) upon first demand and if the intervention was justified. If Customer grants its buyers an extension for the payment of the purchase price, Customer must retain title to the Retained Goods subject to the same conditions on which SCHNEIDER retained title to the delivered Retained Goods; however, Customer shall not be obligated to extend the retention of title with respect to future claims against its buyers. If Customer does not comply with the foregoing it shall not be entitled to the Resale of the Retained Goods.
- 12.6 Customer’s claims from any Resale of the Retained Goods are hereby assigned in advance to SCHNEIDER. They shall serve as security to the same extent as the Retained Goods do. Customer shall only be entitled and authorized to the Resale of the Retained Goods if it is ensured that Customer’s claims arising from the Resale will be transferred to SCHNEIDER.
- 12.7 If Customer sells the Retained Goods together with goods from other suppliers at a lump sum price, Customer has to assign its claims arising from that sale in the amount of the invoiced price of the Retained Goods sold.
- 12.8 If an assigned claim is included in a current account, Customer hereby assigns to SCHNEIDER that part of the balance (including the final balance arising from the current account) which equals the amount of the claim.
- 12.9 Customer shall be entitled to collect the claims assigned to SCHNEIDER until such right is revoked by SCHNEIDER. SCHNEIDER shall be entitled to revoke the right to collect such claims if Customer does not duly meet its payment obligations under any business transaction with SCHNEIDER, or if SCHNEIDER becomes aware of circumstances which could materially reduce Customer’s creditworthiness. If the conditions to exercise the revocation right are met, Customer, at SCHNEIDER’s request, shall immediately disclose the assigned claims and their debtors, provide all information required for collecting such claims, submit the pertinent documents to SCHNEIDER and notify the respective debtors of the assignment. SCHNEIDER



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reserves the right to personally notify the debtors of the assignment.

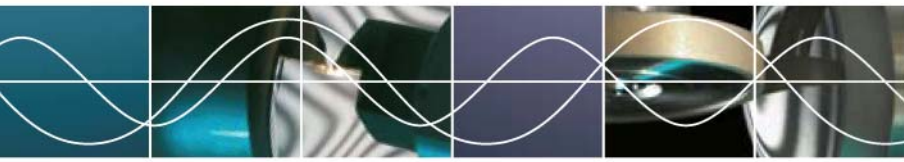
12.10 If the nominal value (invoiced price of the Goods or face value of the claims) of SCHNEIDER's security interest exceeds the value of secured claims by more than twenty percent (20%), SCHNEIDER, at Customer's request, shall be obliged to release security interests at SCHNEIDER's discretion.

12.11 SCHNEIDER's exercise of its right to retention of title shall only be considered as a withdrawal from the contract if expressly stated in writing by SCHNEIDER. Customer's right to possess the Retained Goods shall cease if Customer fails to meet its obligations under this or any other contract.

12.12 If delivery is made to the United States of America, the following provisions shall apply in addition to the aforementioned provisions:

12.12.1 To secure prompt payment of the purchase price for the Goods, Customer hereby grants to SCHNEIDER and its Affiliates, successors and assigns a purchase money security interest and/or general security interest in the Goods and all proceeds thereof (together, the "**Collateral**"). Upon any default by Customer, SCHNEIDER and its Affiliates, successors and assigns shall have all rights, remedies and privileges in and to the Collateral as provided by the applicable sections of the Uniform Commercial Code as presently in effect and as amended from time to time. SCHNEIDER and its Affiliates, successors and assigns are hereby given a power of attorney to sign and file all necessary financing statements on behalf of Customer with respect to the Collateral. SCHNEIDER and its Affiliates, successors and assigns may authorize any third party to do such acts on their behalf as they are authorized to do under this provision.

12.12.2 If, at any time, SCHNEIDER or its Affiliates, successors or assigns incur any legal expenses or other costs or expenses in connection with (i) any litigation, contest, suit, dispute, proceeding or action in any way relating to the Collateral, (ii) any attempt to enforce any of their rights against Customer or any other person which may be obligated to them hereunder, or (iii) any attempt to inspect, verify, protect, preserve, restore, collect, sell, liquidate or dispose of the Collateral, then, in any such event, the expenses and costs (including attorney's fees) relating to any of the foregoing events or actions shall be payable by Customer on demand and shall be considered additional obligations hereunder secured by the Collateral. SCHNEIDER reserves the right to revoke any credit extended



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to Customer at any time because of Customer's failure to pay for any Goods when due or for any reason deemed good and sufficient by SCHNEIDER.

- 12.13 In case delivery is made to a country whose jurisdiction does not recognize a right to retention of title as set forth in art. 12.1 to 12.11 herein and/or whose jurisdiction requires compliance with further requirements in order to give effect to a retention of title right or to achieve a comparable protection for SCHNEIDER to assure delivery and secure prompt payment of the purchase price, Customer shall render its best efforts and execute any instrument or document and perform all other acts which are necessary or appropriate to comply with such requirements. Furthermore, SCHNEIDER and its Affiliates, successors and assigns are hereby given a power of attorney to sign and file all necessary statements on behalf of Customer to achieve the aforementioned protection. SCHNEIDER and its Affiliates, successors and assigns may authorize any third party to do such acts on their behalf as they are authorized to do under this provision.

13. Intellectual Property Rights

- 13.1 Unless otherwise agreed, SCHNEIDER's obligation to deliver Goods free of third parties' intellectual property rights, including, without limitations, copyrights, ("**Intellectual Property Rights**") is limited to the country to which the Goods are delivered. If a third party legitimately asserts claims against Customer based on infringement of Intellectual Property Rights by Goods delivered by SCHNEIDER and used by Customer in accordance with the contract, then SCHNEIDER, provided that such claims are not time-barred pursuant to art. 10, shall either

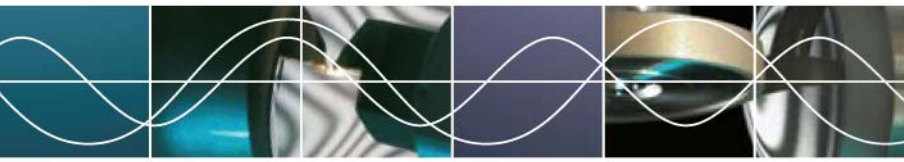
13.1.1 obtain for Customer the right to use the Goods, or

13.1.2 modify the Goods in such a way that the infringement is eliminated, or

13.1.3 replace the Goods with another item of corresponding quality and efficiency which does not infringe any Intellectual Property Rights, or

13.1.4 take back the Goods and return the purchase price minus a reasonable deduction for interim use.

- 13.2 The above-mentioned obligations of SCHNEIDER shall only exist on the condition that Customer immediately notifies SCHNEIDER in writing of the asserted third party claims, that Customer does not acknowledge an infringement and that the defence of



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such claims and any settlement negotiations are reserved to SCHNEIDER. If Customer discontinues the use of the Goods to mitigate damages or for other important reasons, Customer must inform the third party that the discontinuance is not an acknowledgment of any Intellectual Property Rights infringement.

13.3 Customer shall not be entitled to any claims if Customer is responsible for the infringement of the Intellectual Property Rights. This is, among other things, the case when third party Intellectual Property Rights are infringed by Goods manufactured in accordance with special specifications, drawings, designs or other information provided by Customer, or if Customer has made changes to the Goods, installed additional devices or combined the Goods with other equipment or devices thereby infringing third party Intellectual Property Rights. Moreover, in such cases Customer must indemnify SCHNEIDER against third party claims.

13.4 Customer shall have no further claims based on a third party Intellectual Property Rights infringement.

13.5 Customer shall not be entitled to use Intellectual Property Rights that are at SCHNEIDER's disposal and concern the combination of the Goods with other items.

14. Software

14.1 Customer shall only be entitled to use the installed software to the extent it is necessary to use the Goods. Such right to use the software shall not be exclusive and shall be limited to the Goods.

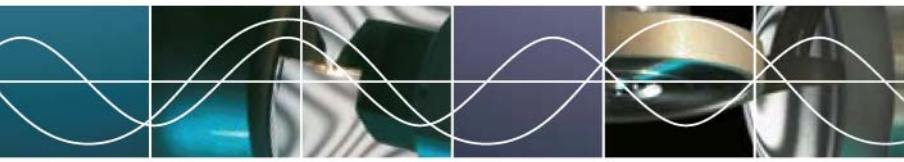
14.2 Customer shall be entitled to transfer the right to use the software, subject to the limitations described above, to subsequent owners or lessees of the Goods.

14.3 Schneider reserves all Intellectual Property Rights to the software, even if such software was specifically developed for Customer.

14.4 Unless otherwise agreed in writing, SCHNEIDER shall not be obliged to provide Customer with updated versions of the installed software.

15. Withdrawal ("*Rücktritt*")

15.1 SCHNEIDER shall be entitled to withdraw from the contract if performance of its obligations under the contract becomes impossible due to reasons for which



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SCHNEIDER cannot be held responsible. Moreover, SCHNEIDER shall be entitled to withdraw from the contract if due to events, which could not have been foreseen when the contract was executed, the conditions that formed the basis of the contract fundamentally change so that it is no longer reasonable for SCHNEIDER to comply with the contract.

- 15.2 In the aforementioned cases SCHNEIDER shall be entitled to demand reimbursement of all necessary expenses incurred in connection with the order, unless the items produced for the order can otherwise be utilized or sold at the same value within a reasonable period of time.

16. Venue, Place of Performance, General Provisions

- 16.1 Place of performance for all obligations shall be SCHNEIDER GmbH & Co. KG's place of business.
- 16.2 If Customer is a merchant or an entity organized under public law (*"juristische Person des öffentlichen Rechts"*) as defined in § 29(a) par. 2 ZPO, the courts located at SCHNEIDER GmbH & Co KG's registered address shall have exclusive jurisdiction for all disputes. However, SCHNEIDER shall also be entitled to bring an action against Customer in any jurisdiction allowed by law.
- 16.3 SCHNEIDER shall be entitled to process Customer data relating to the business relationship of the parties, in accordance with the Federal Data Protection Act (*"Bundesdatenschutzgesetz"*).
- 16.4 The relationship between SCHNEIDER and Customer shall be subject to German law without regards to the United Nations Convention on Contracts for the International Sale of Goods (**CISG**) and the German conflicts of law provisions (*"Regeln des Internationalen Privatrechts"*).
- 16.5 This English translation of Schneider's German terms and conditions of sale is provided for Customer's convenience only. If there are differences or conflicts between the English translation and the German text, the German text shall govern.
- 16.6 If any term or provision hereunder is invalid or unenforceable or later becomes invalid, the remainder of these terms and conditions shall not be effected thereby. An invalid or unenforceable provision is deemed to be replaced by a valid provision which corresponds as closely as possible to the intended economic purpose of the parties. The same shall apply to any gaps in the contract.