

GENERAL PURCHASE CONDITIONS
for supplies/services to affiliates of the GAH-Group
Version of March 2006

1.0 General

We shall place purchase orders on the basis of these General Purchase Conditions. However, depending on the kind of supplies / services, the respective Special Purchase Conditions shall prevail as far as they are indicated in the written purchase order.

The acceptance of our order by you shall be considered an acknowledgement of the above-mentioned General Purchase Conditions under the waiver of your own contradicting terms of sale or terms of delivery respectively. This shall also apply in case we did not expressly contradict your adverse terms and conditions.

Other terms and conditions shall be binding only if we have accepted them in writing. In these cases, our above-mentioned terms and conditions shall apply as a supplement.

Where in these General Purchase Conditions or in the other parts of the Contract declarations are required in writing, telecommunicative transmission is sufficient, unless we have not explicitly requested a qualified electronic signature under the terms of the Signature Law (Signaturgesetz)

2.0 Quotations

Quotations shall be submitted free of charge for us. On principle, no remuneration shall be granted for visits, estimates of cost, elaboration of planning documents and similar services.

3.0 Purchase Order

3.1 Only purchase orders which have been placed in writing, are binding for us. Subsequent modifications and / or supplementary agreements require our written confirmation in order to become effective.

3.2 If an order is awarded beforehand over the telephone, you undertake to carry out immediately upon the arrival of the written purchase order a review of your and our indications made so far, and to inform us about possible deviations without delay.

3.3 You may only subcontract the order with our written consent.

3.4 The entire correspondence in connection with the respective purchase order is to be directed to the address indicated in the letterhead of the written purchase order and has to contain all the data required for the processing of the order (order no. and order date, commission no. and item no.).

4.0 Forwarding Instructions

4.1 The shipment that has been carried out, shall have to be announced to us by submitting a delivery note signed by the consignee in two copies. This delivery note has to contain the following data:

- order no. and order date, commission no. and item no.,
- nature, quantity, net weight and gross weight of the goods,
- the address for shipments included in the purchase order as well as,
- information which we required additionally in our purchase order.

One copy of the delivery note will be enclosed with the goods, the other remaining copy must be submitted to us by mail.

4.2 We decline all responsibility for possibly arising delays in payment due to a failure to comply with these provisions. Those additional costs which may accrue due to a disregard of the correct address for shipments shall have to be borne by you.

If it has been agreed that we shall have to bear the freight charges, you shall undertake to choose the most favourably priced mode of dispatch unless we have expressly required a certain mode of dispatch. Additional costs which accrue due to the unfavourable choice of a more expensive mode of dispatch, shall have to be borne by you.

- 4.3 The shipment shall be carried out at your risk. Any risk of deterioration including the risk of accidental destruction shall remain with you until the delivery to the address for shipments or the place of utilization we required.
- 4.4 You are obliged to take back transport packing material at your own cost, if we do not make requests to the contrary in a particular case.

5.0 Provision of Material

- 5.1 In case we provide you with material, this material may only be used for us in compliance with our order. The complete material will remain our property. It is to be stored separately and to be marked as our property. If necessary, you are obliged to point out our property to a third party. You shall bear the risk of accidental loss with regard to the material provided by us. You are obliged to take out a corresponding insurance policy for an adequate amount of money.
- 5.2 Before carrying out your deliveries and services you have to check whether the material provided by us is proper and delivered at the right time. If this is not the case you have to grant an additional period of time and to describe again the required deliveries and services to be provided by us. At the same time you have to point out to us, which consequences with respect to time and other an exceeding of the additional period of time would have for us. If you don't do this or if the required deliveries and services to be provided by us are not described in an adequate manner, you are not entitled to a time extension. Our rights remain reserved.

6.0 Remuneration

- 6.1 The agreed prices are fixed prices.
- 6.2 Unless otherwise agreed, the prices include cost, insurance and freight, CIF named place of destination, according to the Incoterms 2000.
- 6.3 As soon as the delivery / service has been carried out, the invoice is to be submitted immediately in three copies and with the indication of the order no. and the commission no. The VAT is to be indicated separately in the invoice.

7.0 Terms of Payment

- 7.1 You will agree to the deduction of a cash discount of 3 % from all invoice amounts due to you (part payments and final payments included) after the deduction of agreed retentions for security purposes, retentions for defects as well as for invoice adjustments if we pay within a period of 15 working days from receipt of your invoice. Within this period no interest for late payment can be charged. The time periods start to run from the receipt of the invoice, but not before receipt of the supplies or performance of the services, and if documentation or certificates are required together with the supplies / services the periods will not start unless those documents have been submitted completely and according to the contract.
Late payments which are due to the required documents / certificates not being proper or due to incomplete / inexact statements in the invoice nevertheless entitle us to deduct the discounts.
- 7.2 We reserve the right to make payments by way of bank transfer, in cash or with cheques.
- 7.3 The assignment of claims against us shall be excluded. Exceptions require special agreements.
- 7.4 The extension or the expansion respectively of the reservation of proprietary rights shall be excluded.
Under the provisions of the German Law of 30.8.2001 for the Containment of Illegal Activities in the Construction Industry (Gesetz zur Eindämmung illegaler Betätigung im Baugewerbe) we are obliged by Section 48 of the German Income Tax Law to retain a Withholding tax, presently amounting to 15 %, of all compensation payments due and to pay the retained amount to the Inland Revenue on account of the contractor / supplier. The basis of assessment for the tax deduction is the consideration plus value added tax.

- 7.5 We shall not deduct any such tax if you supply us with a valid certificate of exemption according to Section 48 b Subsection 1 Clause 1 of the German Income Tax Law that releases us from the obligation to collect the tax together with the invoice and no later than 14 days before the due date of the invoice
- 7.6 We are "building contractor" under the terms of § 13 b UStG (Sales-Tax-Act).(This does not apply for the GAH-companies GAH Anlagentechnik Heidelberg GmbH; Kiefer & Voß GmbH, Erlangen; ECM GmbH, München; Kraftanlagen Fertigungsbetrieb GmbH, Reinsdorf). If the you performe construction works, no V.A.T. must not be shown in the invoices.

8.0 Setting – off of claims, retention

- 8.1 You agree that we may in any case set off our claims against your claims, no matter on which legal grounds those are based, even if the mutual claims fall due on different dates. If the claims fall due on different dates, our respective claims shall fall due on the date of maturity of our liabilities at the latest and they shall be settled with effect of the value date. This shall also apply, if on account of performance, one party has agreed upon cash payment and the other one on payment in the form of bills of exchange or other benefits. If appropriate, these agreements only refer to the balance of accounts.
- 8.2 You agree that we set off our uncontested claims against all the claims you have on whatever legal ground against companies that are associated with us.
- 8.3 You agree that we set off against your claim all those claims that we or our associated companies may have against you or a company that makes part of the same trust as you do.
- 8.4 Our associated companies in terms of this condition are:

Caliqua Gebäudetechnik GmbH, Österreich	Ges. f. elektr. Anlagen Leitungsbau Süd GmbH
Digi Communication Systeme GmbH	Ges. f. elektr. Anlagen Leitungsbau Nord GmbH
Digi Communication Systeme Sp. z.o.o., Polen	Kamb Elektrotechnik GmbH
ECM Ingenieur-Unternehmen für Energie- und Umwelttechnik GmbH	Kiefer & Voß GmbH
Eisenbahnsignalbau GmbH Röblingen	Kraftanlagen Hamburg GmbH
Elektro Stiller GmbH	Kraftanlagen Heidelberg GmbH
EMS Energetická montážní společnost	Kraftanlagen München GmbH
Ceská Lípa s.r.o.Tschechische Republik	Kraftanlagen Nukleartechnik GmbH
Frankenluk Aktiengesellschaft	Kraftanlagen Fertigungsbetrieb GmbH
Frankenluk Energieanlagenbau GmbH	KRAFTSZER Kft., Ungarn
Franz Lohr GmbH	Leitungsbau Gesellschaft m.b.H., Österreich
GA-com Telekommunikation und Telematik GmbH	Martin Bohsung GmbH
GAH Anlagentechnik Heidelberg GmbH	REKS Plzen s.r.o., Tschechische Republik
GA-Magyarország Kft, Ungarn	te-com Telekommunikations-Technik GmbH
Ges. f. elektr. Anlagen Energieanlagenbau GmbH	

- 8.5 Any right of retention for goods, documents and data of any kind whatsoever which we shall make available to you for performing your obligations of delivery and services is excluded. The same applies for the right of retention regarding all your claims unless these are ascertained as legally binding.

9.0 Time of Delivery, Delays in Delivery, Force Majeure

- 9.1 The agreed periods and deadlines are binding. The receipt of the goods or the performance of the services at the place of receipt or the place of utilization which we indicated or the timeliness of the successful acceptance are decisive for the compliance with the date or the period of delivery.
- 9.2 If you realize that an agreed deadline cannot be met for any reasons, you have to inform us in writing without delay, indicating the reasons for and the duration of the expected delay.
- 9.3 Force majeure and labor disputes shall exempt us completely or partly from the obligation to accept the ordered supplies / services. We shall be entitled to withdraw from the

contract in so far as in consideration of economic aspects, we cannot use the respective supplies / services of that contract anymore.

- 9.4 In case a delivery is made earlier than agreed upon, we reserve the right to carry out the return shipment at your expense. If we do not carry out a return shipment in the case of an early delivery, the goods shall be stored with us until the delivery date at your expense and your risk. In the case of an early delivery, we reserve the right not to make the payment before the agreed due date.

10.0 Performance of a contract

- 10.1 You hereby guarantee and warrant that all the objects supplied and all the services rendered by you comply with the most modern state of technology, the applicable legal dispositions and the provisions and directives of the authorities, the employers' liability insurance associations and the professional associations as well as the qualities indicated in our purchase order. You guarantee the constitution, state, quality, durability etc. as requested in our purchase order or the enclosed parts of the Contract. If the guaranteed parameters do not appear unequivocally from the purchase order or the enclosed parts of the Contract, or if it is not possible to fulfill the guaranteed parameters required by us on the agreed dates of delivery, you shall in any case have to consult us.
- 10.2 If you have reservations about the way of execution required by us, you have to inform us in writing immediately.
In case of supplies carried out according to drawings, you shall have to check the dimensions indicated on these drawings before starting. Errors in dimension which appear on the drawings and which lead to modifications in the fabrication that has already started do not entitle you to make any type of additional claims.
- 10.3 We will carry out a visual inspection of your supplies for obvious defects as soon as this is possible during the normal processing of the relevant order.
An inspection with respect to the compliance with the requirements of the written purchase order, however, can only be realized at a later date; as far as this is concerned, you waive the objections of § 377 Commercial Code (HGB).

11.0 Rights in the case of defaults

- 11.1 Our rights in the case of defaults are based on the legal provisions in force or in the case of contracts concluded in compliance with VOB/B and VOL/B on those.
- 11.2 In the case of contracts concluded in compliance with VOB/B and VOL/B the period of warranty for the main supplies and services shall also apply to the supplies and services for the removal of defects.
- 11.3 You shall have to carry out a quality assurance which is adequate with respect to its methods and its extent and which corresponds to the most modern state of technology, and you shall have to provide proofs for the realization of this quality assurance at request. You shall conclude a corresponding quality assurance agreement with us, if we consider this necessary. In this context, we shall be entitled to carry out or to have carried out quality controls with you or your subcontractors at any time during the duration of the contract. This quality control, however, shall not release you in any way from your contractual obligations; we shall not assume additional responsibility.
The material costs caused by the quality control shall be borne by you whereas we shall bear the respective personnel costs. However, this shall not apply, if considerable complaints cause a repetition of the quality control. In this case you shall also bear all personnel costs including the necessary expenses

12.0 Liability

- 12.1 Your liability is based on the legal provisions in force.
- 12.2 You shall be liable for all damages to us, our employees or a third party which have been culpably caused by yourself or one of your employees, regardless whether these employees are integrated into our company during the execution of the works or not. In

case a claim is made against us due to such a damage, you have to indemnify us from any liability claims or costs resulting from this damage.

- 12.3 You are liable for all damages incurred which are caused by an infringement of the Law Concerning the Protection against Harmful Effects on the Environment through Air Pollution, Noise, Vibrations, and Similar Factors, an infringement of the Law Concerning disposal of waste oil, Law concerning the protection of water resources, Law against water pollution and Laws concerning the waste disposal, including all issued decrees. You have to indemnify us from any and all liability / claims of third parties, in case a claim is made against us due to such a damage.

13.0 Insurance

You are obliged to take out a sufficient third party liability insurance (and, if applicable planning liability / professional indemnity) which is to be maintained until the fulfillment of the Contract. You will also take out sufficient insurance against all risks from product liability and danger to the environment. At our request you will present the insurance policies.

14.0 Right of Termination

We shall be entitled to terminate the contract in the following cases:

- cessation of your payments,
- petition for the institution of composition proceedings or bankruptcy proceedings as well as
- voluntary liquidation.

15.0 Other Matters

- 15.1 You are obliged to keep all commercial or technical details, which are not common knowledge and which you get to know because of our business relations strictly confidential and you will not disclose them to third parties. You will bind your subcontractors accordingly.
- 15.2 Models, drawings etc. which have been made at our expense or which we sent in, shall remain our property. They may not be used in any other way but for the purposes of this contract, may not be reproduced and may not be disclosed to third parties. You are liable for any damages resulting from an infringement of this obligation. If nothing else has been agreed upon, they have to be sent back to us enclosed with the supplies and free of charge.
- 15.3 It shall not be permitted to use our inquiries or purchase orders or other correspondence for advertising purposes without our written approval.
- 15.4 If any provision of the contract should become invalid, this shall not affect the validity of the other parts of the contract. Instead of the invalid provision the parties to the contract are obliged to replace the invalid provision as soon as possible by a valid one which serves as much as validly possible the same commercial purpose.
- 15.5 The place where we will utilize your supplies and services shall be the place of performance. If this place is not indicated in our purchase order, the address for shipments shall be the place of performance. In all other cases, for example for payment, the business seat of the company which places the respective purchase order, shall be the place of performance.
- 15.6 The exclusive place of jurisdiction is the city where the purchasing company is incorporated.
- 15.7 Only German substantive law shall apply as supplementary provisions to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).