

GENERAL CONDITIONS OF SALE

of **RIEZLER** Inspektionsysteme GmbH & Co. KG, in subsequent referred as »RIEZLER«, Sportplatzweg 5, 87471 Durach, Germany:

I. Scope

- a) These Conditions of Sale apply to the sale of movable, newly manufactured pipeline and canal camera systems and accessories, on the basis of a contract concluded between RIEZLER and a merchant, as customer.
- b) The Conditions of Sale of RIEZLER shall apply exclusively. General terms and conditions of the customer which contradict or deviate from these, shall not be acknowledged, unless RIEZLER explicitly consents to the validity of the customer's general terms and conditions. The Conditions of Sale of RIEZLER shall also apply if RIEZLER carries out a delivery without reservation, in awareness that the terms and conditions of the customer deviate from these.

II. Contract conclusion and contract documents

- a) The return of the order confirmation received from RIEZLER, which has been signed by the customer, shall result in a legally binding contract conclusion between the parties, on the basis of the offer previously issued by RIEZLER for the customer.
- b) RIEZLER shall reserve the right of ownership and copyright to illustrations, drawings, calculations and other documents. This shall also apply to such written documents, which are identified as being "confidential". Prior to these being disclosed to third parties, the customer shall require the explicit, written consent of RIEZLER.

III. Prices, price changes, payment terms, setoff and rights of retention

- a) The prices stated by RIEZLER are net prices. The statement of VAT in offers is purely for informational purposes and non-binding. The applicable, statutory VAT on the date of invoicing shall exclusively apply. This will be stated separately in the invoice and is to be paid by the customer.
- b) The agreed price shall apply. If the price should increase at the time of the service being supplied, due to a change in the market price or due to price increases for individual components of the purchased item, the customer shall have the right to withdraw. If this is 20% above the agreed price, the customer shall be entitled to withdraw from the contract. This right must be asserted immediately after notification regarding the increased price.
- c) The total amount of the invoice is due for payment immediately, except if other payment terms have been granted by RIEZLER. A cash discount is only admissible if this has been agreed. This also applies to rebates of all types.
- d) The customer shall only be entitled to offset counterclaims, if these are undisputed, acknowledged by RIEZLER or legally established.
- e) A right of retention can only be exercised by the customer, if his counterclaim is based on the same contractual relationship and is undisputed or legally established.

IV. Performance period, grace periods

- a) If delivery periods are specified by RIEZLER and agreed between the parties, such periods shall extend for the duration of the delay, in the case of strikes and in cases of force majeure. The same shall apply to non-fulfilment of cooperation duties by the customer. The delivery periods shall furthermore be subject to timely delivery to RIEZLER by third parties, with the individual components required for the purchased item and shall extend by the period of the delay, in the case of delayed delivery to RIEZLER by its suppliers.
- b) To the extent that the assertion of the customer's rights is subject to setting an adequate grace period, this shall amount to at least two weeks.

V. Inspection and notice of defect duty of the buyer

- a) The buyer shall inspect the purchased items for defects within 10 business days after receipt and carry out a functional test. The defects discovered in doing so shall be notified to RIEZLER in writing, within the specified period. If the buyer should fail to provide notice of identifiable defects, the goods shall be regarded as approved.
- b) If a defect should later emerge, which was not identifiable during the inspection and the functional test, the buyer must provide written notice of the defect to RIEZLER within 5 business days after its discovery, otherwise the goods shall also be regarded as approved with respect to this defect.
- c) In order to retain the rights of the buyer, timely dispatch of the notice is sufficient. The proof of timely dispatch shall be the responsibility of the buyer.
- d) VI b) Sentence 2 below shall apply analogously.

VI. Defects (warranty claims)

- a) A precondition for warranty claims against RIEZLER is always the existence of a defect to the purchased item, which is not insignificant.
- b) The warranty period for defects to the purchased item shall amount to one year from delivery of the purchased item. The expiry period in the case of delivery recourse pursuant to Article 478, 479 BGB [German Civil Code] and in the case of compensation claims due to injury to life, limb and health and due to a defect, shall remain unaffected by this. The expiry period for compensation claims based on a defect due to other losses caused by grossly negligent or premeditated infringement of duty by RIEZLER/a legal representative or legal agents, shall also remain unaffected.
- c) In the case of a defect existing, RIEZLER shall have the option of choosing the type of supplementary performance, by means of rectifying the defect or delivering a faultless item. If the supplementary performance by RIEZLER should fail, the customer shall have the right to withdraw from the contract or reduce the purchase price.
- d) Compensation claims by the customer on the basis of a defect to the purchased item shall be excluded. This shall not apply to compensation claims due to a defect to the purchased item caused by injury to life, limb and health and to compensation claims on the basis of a defect to the purchased item due to other losses, resulting from grossly

negligent or premeditated infringement of duty by RIEZLER/a legal representative or legal agents of RIEZLER, or the infringement of cardinal obligations – these are obligations arising from the nature of the contract, the infringement of which jeopardises the achievement of the purpose of the contract. To the extent that compensation claims on the basis of a defect are not excluded, Sub-section VI b) shall apply.

VII. Liability

- a) The liability of RIEZLER for the infringement of contractual obligation and from illicit acts, shall be limited to premeditation and gross negligence. This shall not apply to injury to life, limb and health, the infringement of cardinal obligations – these are obligations arising from the nature of the contract, the infringement of which jeopardises the achievement of the purpose of the contract – and for compensation of default losses. In this respect, RIEZLER shall be liable for each degree of fault.
- b) To the extent that RIEZLER is liable for losses that are not default losses (cf. below lit. d) and e)) not based on injury to life, limb and health and gross negligence, the liability shall be limited to the typical loss incurred.
- c) The claims pursuant to b) above shall expire within one year from the claim arising.
- d) The liability of RIEZLER for default losses is a flat-rate default compensation fee of 0.5% of the delivery value for each full week of the default, however, limited to a maximum of 5.0%.
- e) The claim pursuant to d) above shall expire within one year from the legal start of the expiry period.
- f) To the extent that the liability of RIEZLER is excluded or limited pursuant to lit. a – e) above, this shall also apply with respect to the personal liability of the employees, representatives and legal agents of RIEZLER.

VIII. Acceptance default by the buyer

If the buyer should enter into default with acceptance of the purchased item, and this must therefore be stored by RIEZLER, RIEZLER shall be entitled to demand a flat-rate cost fee of EUR 3.00 for each initiated day of storage, without evidence.

IX. Reservation of ownership

- a) RIEZLER shall reserve the right of ownership to the purchased item until fulfilment of all existing claims against the ordering party, even if the concrete purchased item has already been paid for.
- b) In the case of onward sale of the purchased item under reservation of ownership, the customer now already assigns the claims as collateral that he accrues against his customers from the onward sale, until fulfilment of all claims by RIEZLER.
- c) The customer shall immediately notify RIEZLER regarding compulsory enforcement measures with regard to the goods under reservation of ownership, providing all necessary documents for an intervention. This shall also apply to other impairments. Notwithstanding this, the customer must already notify the third parties in advance of the existing reservation of ownership to the goods. The customer must compensate RIEZLER for the costs of intervention, if the third party is not in a position of being able to compensate these.
- d) If the value of the collateral should exceed the claims by RIEZLER against the customers by more than 20%, at the request of the customer, RIEZLER shall release the collateral which it is entitled to, in a corresponding amount, at its option.

X. Withdrawal from contract

- a) In the case of lacking, incorrect or non-timely delivery to RIEZLER by its suppliers, RIEZLER shall be entitled to withdraw from the contract.
- b) RIEZLER shall be entitled to withdraw from the contract if the customer has applied for the initiation of insolvency proceedings in respect of his assets, has issued a sworn statement pursuant to Article 807 ZPO [Code of Civil Procedure] or the insolvency proceedings have been initiated or rejected to due lack of sufficient assets.

XI. Place of performance, choice of law, legal jurisdiction, delivery with foreign transactions

- a) To the extent that nothing different has been agreed, the place of performance and payment shall be the registered domicile of RIEZLER.
- b) For this contract, the law of the Federal Republic of Germany shall apply, The UN Convention on the International Sale of Goods shall be excluded.
- c) The exclusive legal jurisdiction for contracts with merchants, legal public entities or special public sector funds shall be the court of law responsible for the registered domicile of RIEZLER.
- d) For foreign transactions, the delivery of the purchased object shall take place by means of handover to a shipping company in the Federal Republic of Germany.