

General Payment and Delivery Conditions of GSP Sprachtechnologie Gesellschaft für elektronische Sprachsysteme mbH (hereinafter referred to as "GSP")

Section 1

Place of Jurisdiction

The place of performance and the place of jurisdiction for both parties is Berlin. The law of the Federal Republic of Germany applies.

Section 2

Subject of the Contract

1. The order is only accepted if it is confirmed in writing by GSP.
2. Changes within the framework of the order are only permissible if they are decided with the consent of both parties in writing.

Section 3

Delivery

1. Delivery of the merchandise is ex works Berlin pursuant to INCOTERMS 2000.
2. The Customer placing the order bears the costs of packaging.

Section 4

Receipt

The Customer may not refuse to accept receipt of deliveries because of insignificant defects.

Section 5

Time-Limits for Delivery and Delay

1. Adherence to deadlines for deliveries presupposes the timely receipt of all documents to be supplied by the Customer, necessary permits and approvals, in particular of plans, and compliance with the agreed payment conditions and other obligations by the Customer. If these preconditions are not fulfilled in time, the time-limits are prolonged accordingly; this does not apply if GSP is responsible for the delay. If the failure to adhere to the time-limits is attributable to *force majeure*, i.e. mobilisation, war, unrest or similar events (e.g. strike, lock-out), the time-limits are prolonged accordingly.
3. At GSP's request, the Customer is obliged to declare within a reasonable time-limiter whether it withdraws from the Contract due to the delay in delivery or insists on delivery.
4. If dispatch or delivery are delayed at the Customer's request by more than one month after notification of readiness for dispatch, the Customer can be charged storage fees of 0.5 % of the price of the delivery items for each month started, but at most a total of 5 %. The contractual parties are free to prove that higher or lower storage costs were incurred.

Section 6

Defects in Quality

GSP is liable for defects in quality as follows:

1. All parts or services which exhibit defects in quality within the period of prescription – regardless of the length of operation – must be improved, delivered or performed anew free of charge at GSP's choice if the cause thereof already existed at the time of the transfer of risk.
2. Claims due to defects in quality become statute-barred in 24 months.
3. The Customer must notify GSP of defects in quality in writing without undue delay.
4. GSP must first be given the opportunity to fulfil its obligations subsequently within a reasonable time-limit.
5. If the subsequent performance fails, the Customer can withdraw from the Contract or reduce the remuneration irrespective of any compensation claims pursuant to Section 12.
6. Claims due to defects do not exist in case of merely insignificant divergence from the agreed condition, merely insignificant adverse effects on the usability, natural wear and tear, or damage after the transfer of risk resulting from faulty or careless treatment, excessive use, use for a purpose different from what was agreed, unsuitable means of operation, or damage which arises due to particular outside influences which are not presupposed according to the Contract, and in case of software errors which cannot be reproduced. If the Customer or third parties undertake improper alterations or repair work, there are likewise no claims due to defects for them and the resulting consequences.
7. Claims by the Customer for expenditure necessary for the purpose of subsequent performance, in particular transport, travel time, work and material costs, are excluded if the expenditure is increased because the subject-matter of the delivery has subsequently been transported to a location other than the Customer's office, unless such transportation corresponds to its intended purpose of use.
8. Recourse claims by the Customer against GSP pursuant to Section 478 German Civil Code (recourse of the entrepreneur) only exist to the extent to which the Customer has not reached any agreements with its onward purchaser going above and beyond the statutory claims due to defects.
9. In addition, Section 12 (Other Compensation Claims) applies to compensation claims. Further-reaching claims of the Customer for a defect in quality or claims of the Customer other than those regulated in this Section 6 against GSP and parties employed by it to assist it in the performance of its obligations are excluded.

Section 7

Payment

1. The invoice will be issued to the day of delivery or provision of the merchandise. Delay (value date) is in principle excluded. If early delivery is justified in the interests of the contractual partners, exceptions from this rule can be agreed.
2. Invoices are payable net within 30 days.
3. Receipt of post by GSP is in any case decisive for the day on which payment is processed. In case of bank transfers, the day on which the payment is credited to GSP's bank is the day on which payment is processed.
4. Relevant statutory value added tax is payable in addition to the prices quoted.

Section 8

Delay with Payment

1. In case of late payment, GSP is entitled to charge interest on arrears at 7 % above the Euro key interest rates.
2. Until full payment of due invoice amounts, including interest on arrears, has been made, GSP has no obligation to make any further delivery on the basis of any current contract.
3. If the Customer is in delay with a payment due, or if there is a significant deterioration in its assets situation, GSP can require cash payment for any outstanding deliveries on the basis of any current contract prior to the delivery of the merchandise without adherence to the payment target.
4. If there is a significant deterioration in the assets situation of the debtor, all invoices which have not yet fallen due can be declared due. A significant deterioration of the assets in particular occurs if a credit enquiry agency, a banking institution or a credit insurer provides unfavourable information or if cheques of the customer are protested.

Section 9

Method of Payment

1. Payments must be made free of charges to GSP at the place of payment.
2. Set-off with counterclaims is not permissible. Other deductions (e.g. postage) are not permitted.

Section 10

Reservation of Title

1. Until settlement of GSP's claims on the basis of the Purchase Contract, GSP remains owner of the merchandise. The reservation of title also continues to exist for all claims which GSP subsequently acquires in connection with the merchandise, e.g. on the basis of repairs or replacement deliveries and other services.
2. If the surrender of the merchandise is required on the basis of paragraph 1, the Customer has an obligation to return the merchandise to GSP without undue delay. Any rights of retention are excluded. The costs of taking back and selling the merchandise elsewhere must be borne by the Customer. The Customer has the duty to keep the merchandise in proper condition for the duration of the reservation of title, and to notify GSP without undue delay of any recourse by third parties, in particular in case of the levy of execution. If the Customer intends the onward sale of merchandise which still belongs to GSP, GSP's prior consent is required for this; in any case, the Customer assigns to GSP its claim out of the onward sale.

Section 11

Industrial Property Rights

All industrial property rights in the software and language recordings supplied remain with GSP.

Section 12

Other Compensation Claims

1. Compensation claims and claims to the reimbursement of expenditure by the Customer (hereinafter referred to as "compensation claims"), for whatever legal reason, in particular due to the breach of duties out of the relationship under the law of obligations and out of tortious acts, are excluded.
2. This does not apply if liability is mandatory, e.g. pursuant to the Product Liability Act, in case of wilful intent, gross negligence, injury to life, body or health, and/or a breach of important contractual obligations. However, the claim to compensation for a breach of important contractual duties is limited to the foreseeable loss/damage typical to the Contract, unless there is wilful intent or gross negligence, or liability exists for injury to life, body or health. The regulations above do not reverse the burden of proof to the Customer's disadvantage.
3. If the Customer is entitled to compensation claims pursuant to this Section 12, these become statute-barred after 12 months. In case of compensation claims pursuant to the Product Liability Act, the statutory prescription provisions apply.

Section 13

Transferability

The Customer and GSP may only transfer their contractual rights to third parties by reciprocal consent.

GSP Sprachtechnologie

Gesellschaft für elektronische Sprachsysteme mbH

As at: 12 January 2004