

**General Terms and Conditions of
Sensus GmbH Ludwigshafen, Sensus GmbH Hannover and
Sensus Services Deutschland GmbH
(Last revised: November 2014)**

1. General Provisions – Applicability

- 1.1. These General Terms and Conditions (hereinafter the "GT&Cs") shall apply to all business relationships between Sensus GmbH Ludwigshafen, Sensus GmbH Hannover or Sensus Services Deutschland GmbH (hereinafter individually "Sensus") on one side and their respective customers receiving products or services from Sensus (hereinafter individually "Customer") on the other side. Customer accepts these GT&Cs when placing an order or entering into a contract, however at the latest when the order is confirmed or delivery of products and/or services is accepted. To the extent that the following terms and conditions refer to delivery/deliveries, delivery period/periods, delivery deadline/deadlines, delivery date/dates, delayed delivery or the like, the same shall apply *mutatis mutandis* to performance/performances, performance period/periods, performance deadline/deadlines, performance date/dates, delayed performance or the like.
- 1.2. The GT&Cs shall apply for the duration of the business relationship between Customer and Sensus. Section 1.3 shall apply.
- 1.3. Any amendment to these GT&Cs shall be offered to Customer in text form at the latest two (2) months before their proposed effective date. Customer shall be deemed to have accepted any such amendment, unless Customer provides Sensus with written notice of objection prior to the proposed effective date of the amendment. In the letter offering the amendment Sensus shall expressly advise Customer that failure to object to the amendment in a timely manner will be construed as acceptance.
- 1.4. Neither these GT&Cs nor any contract related to these GT&Cs shall be construed as any guarantee or warranty on the part of Sensus, unless expressly stated otherwise in writing by Sensus and agreed by Sensus.
- 1.5. Any general terms and conditions of Customer shall not apply, whether or not Sensus expressly objects to their applicability.
- 1.6. Any collateral agreements or amendments to these GT&Cs, or to any contracts related to these GT&Cs, shall be valid only if in written form, unless provided otherwise in these GT&Cs or such contract related to these GT&Cs. Any waiver of this requirement of written form likewise shall be in written form.

2. Offer and Acceptance, Contract Terms

- 2.1. Offers from Sensus are non-binding and constitute an invitation to Customer to make an offer to enter into a contract. A contract shall only come into effect if and when an order is confirmed in writing or is executed by Sensus.
- 2.2. If, as a result of any subsequent change in laws, regulations or other applicable provisions (e.g. verification period) or any changes in the technical condition of a property, a material change to the terms and conditions of the contract between Customer and Sensus should be necessary, Customer shall notify Sensus thereof without undue delay. In such case Sensus may, at its choice, either amend the terms of the contract to reflect the changed circumstances or terminate the contract upon reasonable notice, unless otherwise provided in the contract between Customer and Sensus.
- 2.3. In case of any contract for the performance of a continuing obligation, Sensus reserves the right to make changes to its products or services (including, without limitation, design changes and form changes) without prior notice and Customer hereby consents to any such change. Excepted from the foregoing shall be any orders that

have been confirmed by Sensus, unless agreed otherwise between Customer and Sensus.

- 2.4. Customer shall have no right to transfer any rights or claims under any contract or any other legal relationship with Sensus to third parties, except with the prior written consent of Sensus.

3. Prices and Payment Terms

- 3.1. For deliveries within the Federal Republic of Germany, prices of Sensus shall be *Carriage and Insurance Paid* (CIP), Incoterms 2010, plus VAT and any other public dues, fees or charges applicable at the time of invoicing. For deliveries outside the Federal Republic of Germany, prices of Sensus shall be *Ex Works* (EXW), Incoterms 2010, plus VAT and any other public dues, fees or charges applicable at the time of invoicing. All prices are in euro, unless otherwise agreed.
 - 3.2. If the net order amount per order is less than €1,000.00 (including verification fee), Customer shall pay an additional processing fee of €75.00 to Sensus.
 - 3.3. The prices for products and services of Sensus shall be calculated based on the price list in effect on the contract date (the date the order is confirmed or executed), unless otherwise agreed. Customer shall be provided with a current price list of Sensus at any time upon demand and may also access the price list at www.sensus.com/web/de.
 - 3.4. All invoices of Sensus are due without deduction within fourteen (14) calendar days from the invoice date. Money transfers generally shall be in discharge of Customer's payment obligation only if made to one of the business accounts designated by Sensus on the invoice. Customer's payment obligation will not be discharged unless and until the funds have been credited to the appropriate account of Sensus. Any other payments, including, without limitation, checks and drafts, will be accepted only on account of performance (§ 364 para. 2 of the German Civil Code, *BGB*). Discount and draft fees as well as any bank transfer and currency exchange fees shall be borne by Customer. Sensus field staff, drivers and installers are not authorized to issue or collect invoices.
 - 3.5. Any agreed discount for early payment will apply only if all prior invoices that are due and payable have been duly settled and Customer has fully paid the outstanding invoice amount. Agreed discounts for early payment shall in each case relate only to the net value of the goods. Verification fees, inspection fees, conformity fees or other public fees or payments of any kind (e.g., repairs, wage labor, metrological diagnostic, etc.) are not eligible for a discount for early payment.
 - 3.6. Customer shall have no right to offset any counterclaims or to withhold performance based on any counterclaims unless such counterclaims are undisputed or have been established by a final and conclusive court judgment. Any other offset or right to refuse performance by Customer is hereby excluded. Moreover, Customer shall have a right to refuse performance only if Customer's counterclaim arises from the same contract. Except as provided in these GT&Cs, Customer shall have no right to charge Sensus for any amounts or to offset or deduct any counterclaims.
- 4. Payment Default and Adverse Change in Financial Condition**
- 4.1. In the event of Customer's payment default, Sensus shall be entitled to demand payment of a fee of € 40.00, unless Customer is a consumer according to § 13 of the German Civil Code (*BGB*). Statutory provisions, including, without limitation, § 271a and § 288 of the German Civil Code (*BGB*) shall apply.
 - 4.2. In the event of Customer's payment default, Sensus may charge default interest at the rate provided by statutory law, currently 9 percentage points above the base interest rate of the European Central Bank (ECB) if Customer is an entrepreneur according to § 14

of the German Civil Code (*BGB*), and 5 percentage points above the base interest rate of the European Central Bank if Customer is a consumer according to § 13 of the German Civil Code (*BGB*). Sensus reserves the right to claim additional default damages.

4.3. If Customer defaults on a payment or circumstances creating an increased default risk for claims against Customer occur or become known, Sensus may stop processing existing orders, demand prepayment, or demand delivery of security or additional security. This shall apply, in particular, if the financial condition of Customer has adversely changed or is threatened by adverse changes, or if available security has declined in value or threatens to decline in value. Sensus shall have no claim for delivery of security or additional security, if Customer and Sensus have agreed in writing that Customer has no obligation to deliver security or has an obligation only to deliver such security as is specifically identified in the contract. Sensus shall set Customer a reasonable time period for delivering security or additional security.

4.4. If Customer fails to make a payment or deliver security within a reasonable time period (generally fourteen [14] calendar days) from a demand made by Sensus in accordance with Section 4.3 of these GT&Cs, Sensus shall have the right to rescind the contract, make any open invoices due and payable immediately, and charge to Customer all costs and damages incurred until such date, including lost profits.

5. Delivery Period

5.1. Unless Customer and Sensus have expressly agreed that a delivery period shall be binding, delivery periods stated by Sensus are non-binding estimates only. Any delivery dates, and any agreements on contractual penalties for non-compliance with delivery periods, shall be binding only if expressly confirmed in writing by Sensus.

5.2. Unless Customer and Sensus have expressly agreed otherwise, any specifically agreed delivery period shall commence on the date of receipt of the order confirmation, however not before all information, documentation, approvals and clearances to be provided by Customer have been fully provided, and not before any agreed down-payment has been received. Sensus shall in each case have the right to refuse delivery until Customer has performed its contractual obligations.

5.3. Unless expressly agreed otherwise between Customer and Sensus, Sensus shall be deemed in compliance with any agreed delivery period, provided that the goods leave the plant of Sensus or the plant of an authorized Sensus agent before the delivery period expires or Customer is informed that the goods are ready for shipment before the delivery period expires. In the event of any subsequent change request by Customer, any agreed delivery period shall become null and void.

6. Delivery, Transfer of Risk, Packaging

6.1. If products are shipped at the request of Customer, the risk of loss shall pass to Customer as soon as the goods have been turned over to the forwarder, carrier or other person or entity designated as the party responsible for shipment. The same shall apply in case of partial shipments or if Sensus has also agreed to provide other services (such as shipping costs or delivery).

6.2. Sensus shall be entitled to make partial shipments, unless expressly agreed otherwise.

6.3. Unless there are special instructions from Customer, Sensus shall choose the transport route, means of transport and loading equipment at its sole discretion without assuming any liability for the least costly or fastest shipping method.

6.4. The risk of loss shall pass to Customer as soon as the goods are ready for shipment, unless Customer can prove that Sensus is legally responsible for the circumstances delaying shipment.

6.5. Sensus shall accept the return of any packaging used for shipment and/or sale, in accordance with its statutory obligations. Customer shall bear the costs of return shipment and – to a reasonable extent – the costs of disposing/recycling of packaging. These costs are not included in the price. Customer agrees, and confirms by placing an order with Sensus, that Customer shall dispose of/recycle non-returned packaging in accordance with applicable law.

6.6. Unless otherwise provided in these GT&Cs, Section 3.1 of these GT&Cs shall apply (in particular with respect to the applicable Incoterms).

7. Force Majeure

7.1. In a Force Majeure Event the contractual obligations of Sensus shall be suspended for the duration of the Force Majeure Event and to the extent to which performance of the contract is affected by the Force Majeure Event.

7.2. For the purposes of these GT&Cs, Force Majeure Event means any unforeseeable event or any event beyond the reasonable control of Sensus the effects of which on the performance of the contract could not reasonably be prevented by Sensus. Such events shall include, without limitation, wars (whether or not declared), warlike conditions, riots, revolutions, rebellions, military or civil coups, revolts, tumultuous conditions, civil unrest, blockades, embargoes, government directives, sabotage, strikes, slowdowns, lockouts, epidemics, fires, floods, storm tides, hurricanes, storms or other climatic disasters, earthquakes, landslides, lightning strikes, major accidents during shipment, shortages of raw materials or energy, disruptions of operations or traffic for which Sensus is not legally responsible, as well as any government measures or directives impeding performance. The same shall apply, if any of the aforementioned Force Majeure Events affects any supplier of Sensus and if the relevant products or services are not available from an alternative supplier or are available only on unreasonable terms and conditions. Sensus shall notify Customer of the beginning and anticipated duration of any such Force Majeure Event within reasonable time.

7.3. If delays resulting from a Force Majeure Event last longer than six (6) weeks, both parties shall have the right to terminate the contract with respect to the scope of performance affected by the Force Majeure Event.

8. Delayed Delivery

8.1. In case of a partial delay in delivery the rights of Customer based on the delay shall relate only to the part affected by the delay.

9. Delayed Acceptance, Orders for Delivery on Request

9.1. If Customer fails to accept a delivery or service in a timely manner, Sensus shall have the right to recover from Customer all costs, expenses and damages incurred as a result of the unsuccessful delivery attempt and in connection with storage and preservation of the goods.

9.2. The right of Sensus to rescind the contract and claim damages in lieu of performance shall remain unaffected thereby.

9.3. If Sensus claims damages in lieu of performance Sensus shall have the right to claim a charge of 15% of the agreed purchase price. Customer and Sensus shall each have the right to prove a higher or lower damage, as applicable.

9.4. If Customer and Sensus agree to orders for delivery on-call, Customer shall, unless agreed otherwise, place the order and accept the delivery within one year from the order date. The same shall apply *mutatis mutandis* if delivery dates are postponed or if orders are subsequently converted into orders for delivery on-call. If the order is not placed within the aforementioned time period, Section 9.1 through 9.3 of these GT&Cs shall apply *mutatis mutandis*.

10. Retention of Title

- 10.1. Sensus retains title to all delivered goods until all claims of Sensus have been fully paid.
- 10.2. Customer shall not sell goods that are subject to retention of title to any third parties except in the ordinary course of business. Customer shall have no right to make any other transfer of goods that are subject to retention of title (e.g., security assignment, pledge); Customer hereby assigns to Sensus, in the amounts of outstanding invoices of Sensus and until all claims of Sensus have been fully settled, any claims of Customer against third parties for payment of sales prices or compensation for work related to the resale of goods that are subject to retention of title. Customer has the revocable right to collect such claims.
- 10.3. Sensus shall release securities upon request of Customer, if and to the extent that Customer has a legal right to such release.
- 10.4. In the event of Customer's payment default, in the event of a suspension of Customer's payments or threatened suspension of Customer's payments, as well as in the event of any enforcement measures against Customer or any contested drafts, Sensus may, without prejudice to any other rights, rescind all or individual contracts with Customer and demand return of the goods that are subject to retention of title.
- 10.5. Customer shall without undue delay notify Sensus of any specific risk that goods which are subject to retention of title may be attached by third parties, as well as of any threatened or effected attachments or other enforcement proceedings instituted by third parties with respect to goods that are subject to retention of title. Customer shall indemnify Sensus for all costs, expenses and damages incurred by Sensus as a result of such proceedings.

11. Warranty

- 11.1. The statutory duties of examination and notification of Customer shall apply (including, without limitation, § 377 of the German Commercial Code, *HGB*).
- 11.2. In case of bilateral commercial transactions, any complaint by Customer shall be raised without undue delay in writing in accordance with applicable commercial law (including, without limitation, § 377 of the German Commercial Code, *HGB*), however at the latest ten (10) calendar days after receipt of the goods or, in the event of hidden defects, at the latest seven (7) calendar days after discovery of the defect.
- 11.3. According to the statutory law, any warranty claims of Customer are subject to a limitation period of twenty-four (24) months from delivery of the goods or the provision of services. Measuring instruments (e.g., gas, heat or water meters) are not building materials or components of buildings according to the German Civil Code (*BGB*), in particular because such meters are subject to continuous monitoring by the user.
- 11.4. In the event of any warranty claim, Sensus will, at its choice, offer replacement or repair. Sensus shall have the right to cure any defect, regardless of whether the goods or services are/were otherwise free of defects. If repair or replacement is impossible or has finally failed or is unreasonably delayed, Customer may demand a reduction of the purchase price or cancel the contract subject to the applicable statutory requirements. In case of partial deliveries Customer's warranty claims shall only apply to the affected partial delivery.
- 11.5. If - as an exception - Customer receives a replacement delivery before the objected goods have been returned, Customer shall return the objected goods to Sensus within four (4) weeks from receipt of the replacement delivery. Timeliness of return shall be determined with reference to the date the goods are received at the address of Sensus or at such other delivery address as may be designated by Sensus. If objected goods are not returned in a timely manner,

Sensus shall have the right to invoice Customer for the full price of the replacement delivery.

- 11.6. Any replaced or credited parts shall become the property of Sensus once they are replaced or credited. Customer shall return any objected goods to Sensus on demand, in which case Sensus will reimburse Customer for the shipping costs. Costs will not be reimbursed if Customer's complaint turns out to be unjustified. If in the event of an invalid complaint Sensus has already reimbursed Customer for the costs, Customer shall repay said amount to Sensus without undue delay. Customer hereby acknowledges, and by returning the objected goods agrees, that examination of the goods for defects by Sensus may impair or eliminate usability of the goods or damage or destroy the goods.
- 11.7. In the event of an unjustified complaint, Customer shall pay to Sensus the costs of examining the returned goods for defects. In such case of an unjustified complaint, Sensus reserves the right to request that Customer notifies Sensus whether Sensus should return the examined goods to Customer in exchange for payment of the shipping costs or whether Sensus should dispose of the goods. Unless Customer notifies Sensus within four (4) weeks from receipt of such request that the goods should be returned, Sensus shall have the right to dispose of the goods. Customer and Sensus hereby agree that any failure of Customer to respond in such case shall be construed as consent to disposal. Sensus will advise Customer in the request that failure to respond will be construed as consent.
- 11.8. Sensus shall have no warranty obligations if Customer or any third parties have made any improper modifications or repairs without the prior consent of Sensus or if goods delivered with seals no longer carry the original, unbroken seal. Sensus assumes no warranty liability for any damage resulting from inappropriate or improper use, improper installation or operation by Customer or any third parties, normal wear and tear, wrong or negligent treatment, maintenance or servicing, inappropriate supplies or replacement materials, improper installation work, chemical, electrochemical or electrical influences, or improper operating conditions or similar circumstances. The foregoing shall not apply if Customer can demonstrate that Sensus is legally responsible for the defect. The same shall apply *mutatis mutandis* in the event of any improper use or manipulation of computer software provided by Sensus.
- 11.9. Customer shall follow all operating instructions of Sensus. All goods and services of Sensus shall be used only under the specified conditions and only for the specified purposes.
- 11.10. The warranty obligations of Sensus for third-party products or for any parts not manufactured by Sensus are limited to the assignment of Sensus' claims against the respective suppliers of Sensus, unless Sensus is responsible for the defect. To the extent a Customer claim against such supplier under the assigned rights cannot be satisfied, Sensus shall be liable vis-à-vis Customer in lieu of the supplier in accordance with these GT&Cs.
- 11.11. If Customer requests that Sensus repairs a product or service, this will generally constitute a contract for the delivery of services or performance of work against payment, unless Customer can demonstrate that the repair is under warranty.
- 11.12. Customer shall at all times comply with its legal duty to mitigate damage and, in particular, without undue delay notify Sensus of any case of warranty or damage directly or indirectly affecting Sensus. In the event of a warranty case, Customer shall first provide Sensus with an opportunity to repair the defect before involving any third party (e.g., to remove a measuring instrument). To the extent possible and appropriate, Customer shall review whether a case of damage is covered by Customer's insurance.
- 11.13. Sensus may refuse remedial performance in accordance with applicable law, if remedial performance would be possible only at unreasonable expenses.

11.14. Any additional rights of Sensus, whatever their legal basis, shall remain unaffected by these GT&Cs.

12. Technical Support, Offers, Order Confirmations

12.1. Any advice on application engineering from Sensus, whether verbal or written, as well as any proposals, calculations or descriptions in offers / order confirmation / invoices, or similar statements merely provide Customer an abstract, general description of the application of the products and services of Sensus. Such description shall not release Customer from its obligation to perform an independent review of the products and services to ensure that they are suitable for the specific purpose contemplated by Customer. In particular, any technical or practical discrepancies from the circumstances on which the technical support is based (including, without limitation, discrepancies from the potential uses, environmental conditions on which offers or order confirmations of Sensus are based, and/or from Customer's technical procurement specifications) require an independent review by Customer to ensure that the products or services are suitable for the contemplated purpose and have the qualities desired or required by Customer.

13. Confidentiality

13.1. Customer agrees to keep strictly confidential all non-public information Customer may receive in the course of the business relationship with Sensus (including, without limitation, all information about products, services, specifications, pricing, marketing and any other business information, financial information, commercial plans, and business or trade secrets of Sensus; hereinafter collectively "Confidential Information"), whether such information was made available by written, electronic or verbal communication.

13.2. The following information shall not be subject to Section 13.1: (i) any information in the public domain or available to the general public, with the exception of information that becomes part of the public domain or available to the general public as a result of any breach of these GT&Cs or any other agreement; (ii) any information that was already in the possession of Customer at the time of disclosure by Sensus; or (iii) any information independently developed by Customer without reliance on any information of Sensus.

13.3. Customer may only disclose Confidential Information to legal representatives, employees or other vicarious agents of Customer who are directly involved in the performance of the respective contract and who, in turn, have a duty to keep disclosed Confidential Information confidential. Any such disclosure of Confidential Information shall be limited to the extent necessary for the performance of the contract; any other use of Confidential Information is prohibited. Customer may disclose Confidential Information if and to the extent Customer is obliged to do so under applicable law and provided that Customer gives Sensus reasonable prior notice to allow Sensus to take protective steps. Except as provided herein, any direct or indirect disclosure of Confidential Information is permitted only with the express prior written consent of Sensus.

13.4. The duty of confidentiality under this Section 13 shall continue in effect for a period of five (5) years after termination or expiry of the respective contract.

14. Liability

14.1. Sensus shall be liable for intent and gross negligence in accordance with applicable law.

14.2. In the event of simple negligence Sensus shall be liable only for damage to life, body or health, as well as for breach of such contractual obligations that are essential for achieving the purpose of the contract and the observance of which the other party regularly relies upon and may rely upon (so-called cardinal obligations).

14.3. Any liability of Sensus under the German Product Liability Act (*Produkthaftungsgesetz*) shall remain unaffected thereby.

14.4. Subject to the provisions of Sections 14.1 and 14.3, any liability of Sensus shall be limited to the damage typically foreseeable upon conclusion of the respective contract and in terms of amount limited to the average damage typical for such type of contract. In addition, any liability of Sensus for damages shall be limited to Customer's interest in the proper completion of the respective performance (*Erfüllungsinteresse*).

14.5. The above limitations shall apply accordingly to legal representatives, employees and other vicarious agents of Sensus.

15. Special Terms and Conditions for Installation Orders

15.1. If Sensus is commissioned with installation or deinstallation of measuring instruments (hereinafter "Installation") this includes the Installation of measuring instruments in accordance with generally accepted engineering standards and the installation instructions (if properly made available by Customer).

15.2. Customer shall provide unobstructed access to installation locations and create the conditions necessary for Installation. Any additional costs incurred as a result of a breach of this obligation shall be borne by Customer and will be invoiced by Sensus based on the applicable price list.

16. Intellectual Property and Copyright

16.1. Sensus retains all rights, claims and title, including copyrights, in and to any drawings, samples, advertising materials or other documents made available to Customer, including information, publications, documents and downloads of proprietary Sensus software or other proprietary Sensus content from the Sensus homepage.

17. Compliance

17.1. Customer shall comply with all applicable laws, rules, standards, official measures and requirements and meet all resulting obligations. In particular, Customer shall comply with (i) all applicable anti-corruption laws, including those of the Federal Republic of Germany, European Union and the United States of America, including the Foreign Corrupt Practices Act of 1977; (ii) all applicable export control laws, including those of the Federal Republic of Germany, European Union and the United States of America; (iii) all applicable environmental laws, including Directives 2012/19/EU (WEEE), 2011/65/EU (RoHS), Regulation (EC) 1907/2006 (REACH) of the European Union; and (iv) all applicable data protection laws, including the Federal Data Protection Act (*Bundesdatenschutzgesetz*), and with all resulting requirements.

18. Place of Performance, Governing Law, Venue and Jurisdiction

18.1. The place of performance for all deliveries and payments shall be the principal place of business of Sensus.

18.2. These GT&Cs and all contracts between Customer and Sensus shall be governed by and construed in accordance with the laws of the Federal Republic of Germany excluding its conflict of law rules and excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

18.3. Venue and exclusive place of jurisdiction for any and all disputes arising between Customer and Sensus in connection with any present or future claims shall be the principal place of business of Sensus. Notwithstanding the foregoing, Sensus may also file lawsuits against Customer in any other court of competent jurisdiction at Customer's place of business. This Section 18.3 shall not apply if applicable law provides for exclusive venue and jurisdiction in a different court.