

General Terms and Conditions of Sale and Delivery (Effective July 2012)

I. Validity

- 1) The offers, deliveries and performances take place solely on the basis of these General Terms and Conditions of Sale and Delivery, this also applies for all future business relations, even if the validity of those conditions are not expressly agreed again. The purchaser agrees with the validity of these conditions with the meek acceptance of the order, at latest. The purchaser's General Terms and Conditions are only valid insofar as they match with these General Terms and Conditions of Sale and Delivery; apart from that the purchaser's General Terms and Conditions do not apply, even when SD does not expressly contradict.
- 2) Variances from these General Terms and Conditions of Sale and Delivery are only valid with a written confirmation from SD.

II. Offer and Contract Formation

- 1) The offers are non-binding, unless expressly declared as binding by SD in writing. Acceptance and all orders require a written confirmation by SD to be legally effective. The same applies to changes or additions to a contract.
- 2) Drawings, images, measures, weights or other achievements are only binding if expressly agreed in writing.

III. Prices

- 1) Unless otherwise agreed, SD shall stick to the prices offered by itself bound 30 days starting with the contribution of the actual offer.
- 2) The prices are to be understood ex factory, if not agreed otherwise. The orderer defrays the costs for the shipping with a hauler at SD's option including the packaging. If the return of the packaging was agreed, the purchaser shall return the packaging to the factory and be liable for the accidental destruction of the packaging.

IV. Passing of Risk

The risk devolves upon the purchaser with the delivery to the carrier or another transport person, at the latest. The risk also devolves upon the purchaser when goods are stored at SD on request of the purchaser.

V. Warranty and Liability

- 1) If the delivery takes place in commercial business transactions, the purchaser must examine the goods delivered by SD immediately after their arrival and notify of defects and quantity deviations found in this process in writing and not later than 8 days after arrival. If there are defects occurring within the limitation period which couldn't even be discovered during thorough incoming inspection, the purchaser must

notify of them to SD in writing, immediately after the discovery but most certainly inside of the limitation period.

- 2) In cases of legitimate customer complaints the existing defects will be repaired at SD's option or the flawed or useless parts will be replaced with flawless parts for free. The submission of the deficient goods to SD must take place post resp. carriage free. In case of the presence of a defect, SD shall pay the costs for the cheapest return to the purchaser inside of Germany. If such a supplementary performance (amendment or replacement) is not achieved or if it fails two times for reasons which the purchaser mustn't deputize, the purchaser can demand the rescission of the contract (cancellation) or the markdown of the pay (reduction). Amendment or replacement take place without recognition of a legal obligation and don't interrupt the prescription of the claim of defects for the goods.
- 3) No liability is accepted for defects that are based on construction faults or on the choice of inappropriate material, if the purchaser has prewritten the construction or the material despite the previous hint by SD.
- 4) Further claims of defects, regardless of which type, are excluded under reserve of any restricted compensation claims in accordance with paragraph 6.
- 5) A guarantee only exists if expressly declared by SD in writing.

VI. Limitations of Liability

VI.I SD is only liable for any defects, regardless of which legal basis, if

- a) SD culpably (i.e. at least negligent) violated a essential contractual obligation (cardinal duty) in a way that violated the purpose of the contract or
- b) If the defect is due to culpable negligence or intent on behalf of SD or
- c) If SD provided a guarantee

VI.I SD's warranty is restricted to the typical, predictable defect in the following cases:

- a) In case of culpable violation of essential contractual obligations (cardinal duty) that don't take place culpably negligent or deliberate,
- b) In case of culpable negligence of other obligations by employees or SD's commissaries that aren't elements or chief executives as well as
- c) In case of acceptance of a guarantee, unless a guarantee for the quality of the goods wasn't expressly accepted

VI.III In the cases of paragraph VI.II there shall be no liability for indirect damages, consequential damage or loss of profits.

VI.IV SD's liability for death, body and health, for the fraudulent concealment of a defect and the acceptance of a guarantee for the quality structure of the goods, according to the german product liability law, remains intact.

VI.V Paragraphs VI.I to VI.IV do also apply, if a product is defined solely by its class.

VI.VI Paragraphs VI.I to VI.V do also apply in case of any compensation claims by the purchaser against employees or commissaries of SD.

VII. Delivery Period

- 1) The agreement of binding Delivery Periods or deadlines require to be in written form. If the delivery is delayed in time, due to circumstances which the purchaser is responsible for or due to other reasons which SD is not responsible for, the Delivery Deadline or the Delivery Period agreed upon shall be extended appropriately.
- 2) The Delivery Deadline is met when the goods have departed the delivering plant before its expiration.
- 3) If SD is in delay with the delivery, the purchaser shall obtain the right to rescind from the contract and demand the refund of down payments possibly made, after the unsuccessful expiry of an appropriate grace period of at least two weeks.

VIII. Reservation of Ownership

- 1) The goods delivered by SD remain property to SD, until all demands which SD has against the purchaser, are equalized.
- 2) If the delivered goods are mixed or blended with other items, the purchaser shall yield his demands for surrender and his property and co-ownership rights to the recently produced items to SD and store these with commercial carefulness for SD, with the conclusion of the contract.
- 3) The purchaser mustn't put the goods subject to retention of title in pledge to a third party or assign it by way of security. However, he is entitled to resell the reserved goods in proper business connection, if he also expresses the reservation of ownership during this process. For this purpose he will already yield all demands that arise out of the onward sale or out of another legal cause in its entirety to SD. However, he is revocably empowered to collect the assigned demand for SD's invoice on his own behalf, where SD will only repeal this warrant if the purchaser doesn't properly fulfill his payables.
- 4) With the access of a third party to the goods subject to retention of title the purchaser will hint at the property of SD and immediately notify SD. The purchaser bears the costs that arise in this connection.
- 5) If the purchaser behaves in violation of the contract, particularly if he ceases his payments or the makes an application for the opening of the insolvency procedure of this property, SD will be entitled to withdraw or mark the reserved goods and to enter the purchaser's company grounds for that purpose.
- 6) If the value of the safety existing for SD exceeds SD's demands by more than 20 % in total, SD shall, at the purchaser's request, release the exceeding safeties at its own option.

IX. Conditions of Payment

- 1) If not otherwise agreed, SD's invoices must be paid in the space of 30 days after billing date and delivery, at the latest. If the payment deadline is exceeded the purchaser will be in default without further admonition. If the purchaser is in default with the payment, SD can charge interests of eight percentage points above the absolute rate (§ 247 German Civil Code). If SD accepts checks or drafts concerning this, it only happens for processing, where SD confronts itself with the possible return of drafts and the demand of immediate payment or the posture of another safety, if there is reason to fear that the changes do not offer enough safety.

Discount and bill of exchange charges shall be borne by the purchaser and are immediately due.

- 2) If SD gains knowledge of circumstances which give reason to expect that the purchaser's pecuniary circumstances have significantly worsened after the formation of the contract, especially if the purchaser doesn't equalize SD's claims which are due and SD's payment claims seem endangered because of that, SD shall be entitled to perform deliveries or sureties only against payment in full or part step by step or sureties. In case of insolvency or bankruptcy of the purchaser or a request to open insolvency proceedings concerning the purchaser's assets, SD shall be entitled to rescind from all contracts which are not yet completed.
- 3) The purchaser shall only be entitled to offset, if the counterclaim is undisputedly or validly declared.

X. Closing Provisions

- 1) If the purchaser is a merchant who has been entered as such in the commercial register, SD's place of business shall be the place of delivery and ordains the venue for all obligations from the contract.
- 2) The law of the Federal Republic of Germany applies exclusively, the application of the UN-Agreement for International Exportation (CISG) is excluded.
- 3) If a clause is or will be void, the efficacy of the other clauses remains unaffected by this.