

# General Terms and Conditions of Sale for Deliveries and Services

## 1. Subject matter of contract

We deliver and supply after clear confirmation of order and in accordance with the stipulations of our written order confirmation and these Terms and Conditions of Sale and Delivery. The following regulations for deliveries shall apply, mutatis mutandis, for other services.

We shall only consider any other terms of contract from the purchaser as binding if we have expressly acknowledged them in writing. Further agreements shall be deemed void, unless confirmed by us in writing within a week. The delivery contract is valid, even if any single provisions within it are unenforceable. The purchaser may not transfer rights conferred on him by the contract.

## 2. Obligation to deliver

After expiry of the term of acceptance we are no longer under obligation to carry out delivery. Partial deliveries are permissible. We have the right to withdraw from the contract or to demand advance payment or to make our delivery dependent on the provision of securities, should circumstances justifying doubt concerning the creditworthiness of the purchaser become known subsequent to the closure of contract. These rights apply particularly when overdue payments are not settled promptly after receipt of a reminder.

## 3. Term of delivery

The stated delivery period indicates the approximate time of delivery ex works after the punctual fulfilment of all the production requirements of the purchaser. Should delivery be delayed either due to unavoidable disruptions in our operational procedures or those of our subcontractors, despite reasonable care, or due to industrial dispute, then the delivery period will be modified correspondingly. If these circumstances make delivery impossible, then our obligation to deliver shall lapse excluding any compensation for damages.

## 4. Price and terms of payment

Our prices are based on costs at the time of order confirmation as contractual basis and are subject to the current rate of value added tax at the time of delivery. Conditions of payment, the material costs to be fixed in the contract and charges for packaging and freight will all be regulated by agreement, insofar as they constitute part of these General Conditions of Sale.

Discounts will only be given by agreement for cash payments, but not before settlement of any other amounts outstanding to us.

We shall only accept bills of exchange by prior arrangement and on condition that expenses incurred are borne by the purchaser. Bills of exchange and cheques will only become effective once cashed in as payment. The purchaser may only set off our claims or withhold payment if his counter-claims are legally approved.

## 5. Transfer of risk

Any risk is transferred to the purchaser at the latest when the goods leave the works or when notification is given of readiness for collection or despatch.

## 6. Reservation of proprietary rights

The goods remain our sole property until all present and future claims from business transactions with purchaser are settled. The purchaser has the obligation to store the goods separately. Any further processing of the goods will be undertaken on our behalf by the purchaser without this incurring any liability for us. If property rights arise for the purchaser out of the combining or blending of the delivered item with other merchandise not belonging to us, he will transfer co-ownership of the new item to us in advance, upon acceptance of the delivered item. The purchaser will hold the jointly owned products or aggregate of things on our behalf.

The purchaser may only sell the delivered goods or items which he has further processed subject to this reservation of title. He is not entitled to impair our reserved rights by other disposals (e.g. by pledging the goods or assigning them as security). The purchaser shall inform us immediately of any interventions by third parties on the reserved-title goods.

The purchaser will assign to us in advance all claims resulting from resale of reserved-title goods or other causes in law. Should the reserved-title goods be sold in conjunction with other objects not belonging to us, or should they be included in provisions of labour and materials, then the assignment only applies to the invoiceable value of the reserved goods. The purchaser shall be authorised to collect the assigned claims. Upon our demand, he shall inform the debtor of the assignment.

If the value of the securities granted exceeds our debt claims by more than 20 %, we will at the request of the purchaser and at our reasonable discretion transfer securities back.

## 7. Delayed payment and loss of creditworthiness

The purchaser shall be in default without a separate notice of default if he does not make payment in accordance with the conditions of the agreement. All our claims become due in cash, irrespective of the term of any bills of exchange taken in, if the purchaser is in default. The purchaser may no longer sell items under our retention of title or co-owned by us and is under obligation to provide us with securities.

The same applies should we assert justified doubt as to the creditworthiness of the purchaser.

Without prejudice to any other claims arising due to delay in payments, we are entitled to charge interest from the date payment was due in the amount of the usual minimum interest charges and commissions charged by the major banks.

The purchaser herewith grants us a lien to secure all current and future accounts receivable arising from the conditions of business with respect to all materials handed over to us by him for the performance of the order or any other related claims.

Should the purchaser default payment or lose creditworthiness, we are entitled to dispose freely of the goods that have been distrained at the average price on the German market, from the day on which the purchaser defaults payment or loses creditworthiness.

## 8. Rights regarding tools

Remuneration of a share of the cost for the tools does not give the purchaser any entitlement to the tools, unless a written agreement to this effect has been entered into with us.

## 9. Property rights of third parties

If the items delivered in according with drawings or other information provided by the purchaser have infringed on the property rights of third parties, the purchaser shall free us of all claims.

## 10. Place of performance and court of jurisdiction

The place of performance of any disputes with registered traders or with legal persons under public law which may arise from the delivery contract is Stuttgart.

The place of jurisdiction of such disputes is Stuttgart. We shall also have the right to file any suit at the place of business of the purchaser or at the place of payment in the case of claims pertaining to cheques or bills of exchange.

## 11. Warranty

For further claims based upon defects or the deficiency of warranted properties, the supplier shall be liable as follows:

- a) All parts that have proven to be defective due to a circumstance obtaining before the transfer of risk shall, at the discretion of the supplier, be remedied or replaced by error-free parts free of charge.
- b) The buyer shall promptly identify any external defects or short deliveries and notify the supplier immediately or at the latest within 2 weeks of receipt of the delivered items, quoting the number of the order or delivery note. Otherwise no rights may be derived to make claims in these respects.
- c) For sealing systems and sensors only those faults shall be considered as defects which, under normal conditions [when correctly assembled in accordance with the product information and installation instructions provided] have led to malfunction. A consignment of sealing elements or sensors shall only be replaced if more than two faults due to the same cause occur within the period of warranty.
- d) The warranty period is 24 months from the date of delivery. A suspension or interruption of the warranty is only permissible by special agreement.
- e) The customer shall have the right to set a reasonable time limit for the removal of defects, otherwise he is exempt from liability to eliminate defects.
- f) The purchaser is only entitled to cancellation or reduction, if replacement or repair is not possible, or if the supplier fails to carry out the repair in the time set by the purchaser, or if the replaced part is defective.
- g) A warranty obligation lapses if the delivered products or services provided are improperly treated or changed or if attempts at repair have been undertaken processed by the purchaser or third parties without the written permission of the supplier.
- h) After replacement, replaced parts become the property of the supplier.
- i) Replaced parts and other repair work are subject to the same conditions and date of expiry of warranty as the original delivered items.
- j) All further claims against the supplier and his subcontractors are excluded, in particular any claim for damages which have not been caused directly by the delivered item. This shall not apply in cases of intent or gross negligence or mandatory liability e. g. under the German Product Liability Act (Produkthaftungsgesetz).

## 12. Weights and measurements, constructional deviations

All data relating to diameter, length and weight are to be understood as approximate. The supplier reserves the right for there to be structural deviations in the sealing system due to manufacturing process or raw materials. Minor variations in length customary in the trade are permissible.

## 13. Liability

All further claims against the supplier and his subcontractors and employees are excluded. This applies irrespective of the legal ground from which such claims arise, whether the claim is for replacement or damages, or in particular for compensation of consequential harms caused by a defect due to negligence in concluding the contract, violation of property rights, loss of profit or any act committed intentionally or out of serious negligence. This shall not apply in cases of mandatory liability based on intent, gross negligence or the absence of guaranteed properties.

## 14. Additional terms

Provided no special arrangements have been laid down in these General Terms and Conditions of Sale or in our order confirmation, the delivery contract is subject to the General Terms of Delivery for Products and Services in the Electrical Industry published by the German Electrical and Electronics Industry Association. The application of the Hague uniform purchase laws is excluded.