

# General Terms & Conditions for Sale and Supply

## 1. General

All our quotations, sales and supply are carried out exclusively according to the following conditions. When the ordering party places an order, he hereby declares that he consents to these conditions in full. Deviating conditions are then only applicable when specifically agreed and after we confirm this in writing. Amendments to individual conditions do not affect the validity of the remaining conditions.

We are not obliged to the conditions of purchase of the purchaser, even if these are not specifically opposed in writing. Without our expressed consent, the rights and obligations of this purchase agreement may not be assigned to third parties. Unless there is an agreement to the contrary, these conditions are valid for the whole of present and future business transactions, even in the case that in an existing business relationship no specific reference is made to these conditions.

## 2. Quotations

Quotations are always non-binding, even without a specific agreement to this effect.

## 3. Orders

Orders are deemed to be accepted only when we confirm these in writing. If delivery is made immediately without confirmation, the invoice is then deemed to be the confirmation of order.

## 4. Prices

Our prices remain non-binding and are valid for dispatch from Bobingen excluding packaging, postal charges, freight, other dispatch costs, insurance, customs and installation. Any price increases in the period between conclusion of the agreement and delivery of the contractual objects which occur by reason of increased wages raw material prices, freight costs, taxes, customs duties, contributions or other financial burdens or if such come into force entitle us, insofar as permissible in law, to a corresponding increase in price.

Insofar as in the period between ordering and delivery is more than six months, we are entitled to claim price and cost increases to the amount of 3% without providing further. For the calculation the basis is the number of items we have determined.

## 5. Delivery

For each single order, the right to agree on the delivery time is reserved. The delivery time is deemed to be valid from the notification in good time that the goods are ready for dispatch, if dispatch is impossible through no fault on the part of the dispatcher. Part deliveries may not be refused by the purchaser. An obligation to observe agreed delivery dates can only be undertaken with the pre-condition of an uninterrupted manufacturing process. The consequences of force majeure, operational malfunctioning, strike, lock-out, administrative authority measures, lack of raw materials or auxiliary materials at the time of manufacture and other unforeseen circumstances in our company or at the supplying company entitle us to withdraw from supply obligations in part or as a whole.

The non-observance of confirmed delivery dates does not entitle the enforcement of claims for compensation or to annulment of order. We are entitled to a later delivery of the quantity of goods not received but not to compensation for non-performance or delayed performance. When the goods leave our premises in Bobingen or on notification of readiness for shipment, the risk is transferred to the Purchaser. The choice of transport route and means of transport is made at our discretion unless otherwise instructed and with no liability for the cheapest and fastest freight method. Shipment is always - also in the case of franco deliveries and in the case of reservation of property - at the risk of the ordering party. Packaging, if not otherwise agreed, is at our discretion. The right to product modifications on the grounds of technical advances remains reserved.

For articles which are not in stock we reserve the right to supply quantities up to 10% more or 10% less.

## 6. Complaints

Notice of defects on the grounds of weight, quantity of items, the quality or the execution of goods, insofar as these are not remedied automatically under the our sales terms can then only be taken into account if we receive this notification immediately the defects have been discovered or if notified to us in writing at the latest eight days after receipt of the goods at the intended place of reception. Defects which were not discovered within this time even after careful inspection are to be notified to us immediately. of the invoice for us is the number of ordered items.

## 7. Liability for defects

The supplier is liable for defects, including the lack of expressly assured properties, with the exclusion of further claims as follows:

7.1 All such parts shall be repaired or replaced free of charge at the discretion of the supplier, which within 6 months of supply are deemed to be unusable or only usable with limitations on the grounds of circumstances known prior to transfer of risk - especially on the grounds of defective design, poor materials or faults in the final product. Determination of such defects shall be notified to the supplier immediately in writing. Replacement parts are the property of the supplier.

Should the delivery be in default without blame on the part of the supplier then the liability is extinguished at the latest 12 months after the transfer of risk. For essentially foreign products, liability of the supplier is limited to the assignment of liability entitlement to which he can claim under the terms of his agreement with the external supplier of products.

The period of warranty is one year from the date of delivery.

7.2 The right of the ordering party to enforce claims for defects expires in all cases from the point of time of the complaint made in good time within 6 months, at the earliest however, at the expiry of the warranty period.

7.3 No liability is undertaken for damages which occur for the following reasons: Inappropriate or non-qualified use, installation faults, normal wear and tear, misuse or careless handling, unsuitable operating resources, exchangeable substances, faulty construction works, chemical, electro-chemical or electrical influences, insofar as these are not directly attributable to the supplier.

7.4 In order for the supplier to undertake the repairs or replacements which appear to be necessary at his discretion the ordering party shall notify the supplier and allow sufficient time and opportunity, otherwise the supplier is released from liability for defect.

7.5 The direct costs of repair or replacement and including the costs of dispatch shall be borne by the supplier - insofar as the complaint is deemed to be justified. Otherwise the ordering party shall bear the costs.

7.6 For replacement parts or repairs the warranty period is three months; it runs however at least until expiry of the original warranty period for the object of supply.

7.7 In the case of improper use on the part of the ordering party or a third party without prior consent of the supplier, where modifications or commissioning work is undertaken, there is no liability for any and all consequences arising.

7.8 Further claims on the part of the ordering party, in particular any claim for compensation of damages which are not incurred specifically to the supplied object are excluded, insofar as this is permissible by law.

7.9 In the event that defects in the contractual products occur, the purchaser is obliged at our request to have the product properties examined by a neutral expert assessor. The purchaser shall give us or our suppliers the opportunity to examine the identity of the goods on site which are subject of complaint and for our own inspection, tests as requested should be possible without further delay and any further processing of the wares must be ceased immediately after determination of possible defects as also any assembly of our goods in conjunction with goods from other sources and this shall hold true specifically until such time as we or our supplier have expressly released the wares otherwise complaints are not valid. As long as the purchaser does not fulfil his contractual obligations in full (payment of the purchase price in full), we do not accept any liability.

## 8. Advice on applications

Application, use and processing of the ordered goods are exclusively the responsibility of the purchaser. Advice on technical applications by the seller verbally or in writing are only then deemed as without obligation, also in respect of the protected rights of third parties and do not release the purchaser from his own obligation to examine the products for their suitability for the intended procedures and purposes. Should however, any questions be raised in respect of the liability of the seller, then these are limited to the value of the goods supplied by the supplier. For the storage of elastomer articles, the directive DIN 7716 (2.75) applies.

## 9. Reservation of title

Property title is only then transferred to the purchaser when the latter has paid all his obligations from the existing business relationship. The acceptance of bank transfers or cheques is then only deemed as purpose of payment but the property title to the respective object of purchase is only assigned to the purchaser with the final settlement of debt. Payment by cheque with the justification of a financing relationship by means of bill of exchange is not deemed to be settlement of the purchase price. If the goods supplied are or a part of the goods supplied is then installed in another object, the reservation of title is not extinguished; on the contrary, the co-ownership of the new object proportionate to value is agreed.

The purchaser has the right to process further or to sell in the normal course of business all goods supplied with reservation of title. On the other hand, he may not pledge the goods or assign these as security. In the case of further sale or further processing the purchaser hereby assigns to us all claims from the further sale including all secondary rights to the third party to the amount of the invoice with the authorization of a proportionate entitlement. Insofar as the purchaser himself collects the assigned claim, this is under the terms of a trust basis. The amounts collected are to be transferred to us immediately. At our request, the purchaser undertakes to disclose the assignment to the secondary purchaser and to provide information for the enforcement of our rights against secondary purchasers. The purchaser must notify us immediately of any seizure or any impairment of our rights by third parties. The purchaser is entitled to demand release or securities if the realizable value of these exceeds 20% of the claims to be secured.

In the event that the secondary purchaser does not pay immediately in cash, the purchaser shall reserve for us the right of extended property.

## 10. Payment

Net payments shall be transferred to our invoicing center within 30 days of the date of invoice and without deductions of any kind. The purchase price however is due immediately if the purchaser has other outstanding payments to be made to our company, or if we become aware of the uncertainty of the assets situation of the customer in terms of bankruptcy proceedings, judicial or extra-judicial composition applications, exchange rate or check protests, seizure proceedings or loss of security or other similar occurrences as set forth in § 321 BGB (*Federal German Civil Code*). In such a case we are entitled to undertake outstanding deliveries solely on the basis of payment in advance or to withdraw from the contract.

Payment by bank draft requires specific consent. Bank drafts and cheques are accepted only with the reservation of settlement and are then only valid from the time of redemption as cash received. Bank charges shall be remunerated in cash. If the target date of payment within 30 days is exceeded a reminder will be sent out immediately and default interest must be paid to the amount of the currently valid bank interest rates for overdrawing. The purchaser is not entitled to retain any payments on the grounds of a possible counterclaim nor to offset against such possibilities.

## 11. Drawings and Moulds

Drawings, documentation and draft designs from our company shall not be made accessible by the recipient to third parties. Contraventions are subject to full compensation. Drawings and documents sent with our quotations shall be returned to us immediately by the recipient if an order is not placed. Common languages for documentation (including but not limited to assembly instructions and installation guides), drawings and draft designs are German or English. For additional languages an individual translation can be prepared, at purchaser's expense. Moulds which we produce or which are produced on our behalf remain our sole property even if these are invoiced proportionately to the customer.

## 12. Place of performance and place of jurisdiction

Place of performance for deliveries and payment is Augsburg. Place of jurisdiction for all disputes arising from this contractual relationship is Augsburg. The contractual relationship of ordering party and supplier is subject to the law of the Federal Republic of Germany with the exclusion of UN purchasing law (CISG).

## 13. Part invalidity

The purchase or supply agreement and these conditions remain in force even in the case of any invalidity in law relating to individual provisions.

Bobingen, November 2009

Seal Concept GmbH  
Dichtungen – Halbzeuge  
Hydraulik - Komponenten