

General Conditions of Sale and Delivery

I. Scope

1. All our quotations and other statements are exclusively based on the Conditions of Sale and Delivery set forth below. Special arrangements and side agreements must be in writing.
2. Buyers' conditions different from our General Conditions of Sale and Delivery shall not apply, even if buyers provide their own conditions of purchase and we have not explicitly objected to such conditions.

II. Formation of contract

1. Our offers are without engagement. STEMA considers written orders as binding offers and reserves the right to accept such offer through delivery or order confirmation.
2. The right of prior sale remains unaffected.

III. Delivery

1. Unless otherwise agreed, all deliveries are effected ex works at the consignee's risk, plus transport insurance and packing.
2. Delivery free of charge to address of buyer requires mutual agreement. In such cases the transport route, means of transport and carrier are chosen by STEMA. If delivery free of charge to address of buyer has been agreed, STEMA is liable only for a fault in the organization.
3. If the transport of the goods is delayed for a reason for which the buyer is responsible we have the right to warehouse the goods at the buyer's cost and risk and invoice them as delivered.
4. Dates and periods of delivery are valid only if confirmed by STEMA in writing. The period of delivery shall be deemed to have been complied with if at the end of such period the object is ready for dispatch in the factory. The risk passes to the buyer upon delivery of the goods to the carrier.
5. If delivery is delayed by force majeure on STEMA's own premises or with suppliers, or by official actions, delivery shall be deemed to be on schedule according to this agreement. Under such circumstances STEMA has the right to deliver at the next possible date, to make a partial shipment or to withdraw from the contract. In no case shall we be obliged to buy replacement goods from third parties.

The buyer has the right to withdraw from the contract after an adequate grace period for STEMA. The grace period shall be 6 weeks from receipt of the letter with which STEMA was allowed such grace period. This letter must be a registered letter with return receipt.

6. STEMA has the right to withhold deliveries if a petition has been filed for bankruptcy or composition proceedings against the consignee's assets, and in case of imminent insolvency which might prevent the customer from fulfilling its obligations.

IV. Damage in transit, complaints

1. Warranties are given for a period of 24 months from the day of sale.
2. The Buyer must lodge any complaints about visible transport damage upon receipt of the goods and have such damage confirmed in the freight documents by the carrier.
3. Notwithstanding point 2, any damage and defects must be reported to STEMA in writing no later than 5 days from receipt of the goods. In that respect the buyer is obliged to inspect the delivered goods thoroughly. Notices of damage or defect received after the lapse of the aforementioned period may be contested by STEMA.
4. In case of any complaints STEMA has the right of choice between rework, replacement, reduction of purchase price, and withdrawal. If rework fails twice, the buyer may insist on cancellation of sale or reduction of purchase price. The buyer undertakes to inform STEMA immediately of any warranty claims asserted against the buyer by third parties, to submit all correspondence to STEMA and, in case of court proceedings, to keep STEMA informed about the progress of such proceedings by presentation of any related correspondence. If the buyer violates this provision, STEMA shall not accept any liability upon recourse if third parties assert warranty claims against the buyer. Claims for damages are ruled out as far as permitted by law. This includes product liability. Liability for ordinary negligence is ruled out. The amount of damages is limited to the invoiced value of the goods at the time of passage of risk.
5. The parties agree that STEMA's product descriptions of the supplied goods are mere recommendations from which no legal claims can be derived. Limitations of liability protect STEMA employees, too.

V. Payment

1. All prices are net prices ex works plus value added tax as required by law. Any change in the public charges imposed on the goods made after the price was agreed entitles us to adjust the price accordingly. If the cost price for the goods changes later more than just marginally in a way that could not be foreseen at the time when the price was agreed, we may insist on new price negotiations. If no agreement is reached we have the right to withdraw from the contract, ousting any claims for damages.
2. Goods are delivered cash on delivery or cash in advance.
3. If time is allowed for payment, the period of payment must in each case be agreed in writing.
4. Payment is to be made in cash and without any deductions. The day of payment shall be the day on which we can dispose of the money. If a cash discount was agreed, such cash discount shall only be granted if the cash payment is available for us within the agreed period and all earlier outstanding accounts have been received.
5. The right to accept or reject bills of exchange or cheques is expressly reserved. If accepted, they are accepted on account of payment and not considered as payment until honoured. Bill costs shall be borne by the buyer.
6. In case of transferred bills of exchange, no guaranty is given for timely presentation and for bill protest.
7. If the time allowed for payment is exceeded, we charge interest amounting to the interest charged us at borrowing, or 2 % above the key lending rate of the European Central Bank, whichever is higher.
8. The goods delivered remain the property of STEMA until all receivables due from the buyer related to STEMA's invoice have been fully paid by the buyer. This reservation is made regardless of any deviating national provisions. The customer may resell the goods only in the orderly course of business. The customer herewith assigns its accounts receivable from the re-sale to the contractor. The contractor herewith accepts the assignment.
9. The buyer is obliged to inform us immediately of any attachment or other impairment of its assets. All expenses incurred for the lifting of the seizure and the replacement of the goods shall be borne by the buyer unless they can be collected from third parties.

VI. Delay in payment

1. If the buyer defaults on payment, we have the right to insist on advance payments for outstanding deliveries insofar as they are based on other business transactions, or to withdraw from the contract without grace period with respect to the outstanding quantity.
2. In case of delayed payment, interest on defaulted payment must be paid in the amount of 2 % above the current base interest rate of the European Central Bank.

VII. Copyright

1. All models designed and produced by STEMA are subject to Copyright. Their reproduction and commercial distribution is possible only with the explicit permission of STEMA and against payment. Should the buyer receive design documents from STEMA or documents relating to STEMA's property rights or copyright, the buyer is bound to observe secrecy with regard to such documents and forbidden to deliver or transmit such documents to third parties. The buyer undertakes to pay contractual penalty in the amount of EUR 50,000.- to STEMA for each infringement.

VIII. Place of jurisdiction and of performance

1. The entire contractual relationship and the other business relations between the parties are subject to German law. Unless prevented by mandatory legal provisions, our place of business is the exclusive place of jurisdiction.

General Conditions of Purchase and Delivery

I. Scope

1. All services are subject to the following General Conditions of Purchase and Delivery. Any different, conflicting or supplementary conditions provided by the contractual partner shall not become part of the contract unless STEMA explicitly approves their validity in writing. Our conditions of purchase apply even in cases where we, knowing the conflicting or deviating conditions of the supplier, accept the supplier's delivery without reservation.
2. All agreements made between us and the supplier for the completion of this contract must be set forth herein in writing. This requirement of the written form can only be contracted out in writing.
3. Our conditions of purchase apply only towards entrepreneurs as defined in sect. 310 sub-sect. 1 German Civil Code.
4. The General Conditions of Purchase and Delivery shall also apply to future business with the contractual partner in so far as they are legal transactions of similar nature.

II. Preparation of offers

1. All offers submitted to STEMA must be in writing and confirmed by both sides.
2. Such offers are valid for 3 months and are deemed to be binding. Within these 3 months, price changes are ruled out with the exception of changes in the value added tax required by law.

III. Order placement

Orders shall not be deemed to have come into existence until confirmed by the supplier/manufacturer in writing.

IV. Warranty

1. The Supplier warrants that the delivered goods comply with the legal provisions and regulations applying to their production, distribution and use as well as with the relevant industrial standards, that they reflect the latest development in material and technology and that they are free from third party rights.
2. The supplier is obliged to mark the goods and provide product information about them according to relevant provisions.
3. The supplier undertakes to stock a sufficient quantity of spare parts lasting for at least 6 years from the time of each delivery to STEMA.
4. STEMA is obliged to inspect the goods within a reasonable period of time for any deviations in quality and quantity. Any complaints are timely if received by the supplier within 5 working days from receipt of goods or, in case of hidden defects, from the time when they were discovered.
5. STEMA is entitled to the full statutory claims based on defects. In any case STEMA is entitled to demand from the supplier, at STEMA's discretion, rectification of defects or delivery of a new object. The right to recover damages, in particular damages instead of performance, is expressly reserved.
6. In case of imminent danger or particular urgency STEMA has the right to rectify defects itself at the supplier's cost.
7. The limitation period is 36 months from the passage of risk.

V. Terms of payment

1. The invoice made out after delivery is based on the quotation underlying such delivery and shall be released after incoming inspection.
2. Amounts billed are due within 60 days from receipt of invoice unless otherwise agreed.
3. Unless otherwise agreed, the discount granted for cash payment is 3 % within 8 days and 2 % within 14 days.
4. STEMA has the right of set-off and retention as provided by law.

VI. Terms of delivery

1. The period of delivery is fixed by the contracting parties in the order underlying the delivery. Such period of delivery is binding.
2. The supplier is obliged to inform us immediately in writing if circumstances occur or can be foreseen which may result in the impossibility to observe the agreed period of delivery.
3. If the supplier defaults on the delivery incumbent on it, STEMA shall have the right to claim lump-sum damages for delayed delivery amounting to 3 % of the delivery ordered for each full week, however no more than 15 %. Further legal claims (withdrawal and damages instead of performance) are reserved. The supplier has the right to furnish proof that the delay resulted in no damage at all or in substantially lower damage.
4. Partial shipments must not cause any additional expenses for STEMA and require the prior written confirmation by STEMA.

VII. Right of return

1. STEMA has the right to return articles with respect to which a warning was given to the public not to buy or use them. This includes the cases where the German consumer advocacy group, Stiftung Warentest, gives an article the overall rating "deficient". Prior to return, STEMA must agree on the return with the supplier. In case of imminent danger, STEMA is obliged to return the article even without prior agreement.
2. With respect to goods which were returned or about which a complaint was lodged, a debit note is made out in the amount of their invoiced value before discounts and subsequent conditions and submitted according to the agreed accounting mode.

VIII. Product liability

1. To the extent that the supplier is responsible for a product damage the supplier is obliged to indemnify STEMA against third party claims for damages upon first demand if the damage was caused in the area controlled and organized by the supplier and if the supplier is externally liable.

2. To the same extent, the supplier is obliged to reimburse any expenses as defined in sect. 683, sect. 670 German Civil Code or in sections 830, 840, 426 German Civil Code which may arise from or in connection with a recall action carried out by STEMA. Insofar as it is possible and can reasonably be expected, STEMA will inform the supplier about the substance and scope of the required recall action and give the supplier an opportunity for comments. Other statutory claims are not taken into consideration.

3. The supplier undertakes to maintain product liability insurance with an adequate minimum amount insured. Any more extensive claims for damages due to STEMA remain unaffected

IX. Industrial property rights

1. The supplier guarantees that no third party rights are violated inside Germany in connection with its delivery.

2. If third parties assert claims against STEMA, the supplier is obliged to indemnify STEMA against such claims upon first written demand.

3. The supplier's indemnification duty relates to all expenses which STEMA will inevitably incur if claims are asserted by third parties.

X. Final provisions

Should individual provisions of this contract be or become ineffective or contain a gap, the other provisions remain unaffected. The parties undertake to replace the ineffective arrangement with an arrangement that comes as close as possible to the commercial purpose of the ineffective arrangement.

XI. Place of jurisdiction

1. The place of performance and exclusive place of jurisdiction for all disputes arising from this contract shall be STEMA's place of business, Großenhain.

2. The contract is governed by un-unified German law, namely the German Civil Code and the German Commercial Code. The provisions of the CSIG shall not apply.