

## **General Terms and Conditions (version as of November 1, 2011)**

### **General**

All offers of DSL-electronic GmbH ("DSL") are based on the following General Terms and Conditions and in addition thereto on the general terms of delivery for products and services in the electrical industry. They apply to all products and services DSL provides. Amendments and supplementary agreements are only effective if both contractual partners confirm these in writing. Other general terms and conditions such as those of the customer do not become part of the contract, regardless of the time at which they are introduced, and even if DSL does not expressly reject them.

### **1. Offers, contracts and prices**

1.1 All offers of DSL are subject to change and non-binding unless agreed otherwise in writing. The contract is brought about by the order confirmation of DSL. Up to this point in time DSL reserves the right to sell the goods otherwise.

1.2 The written order confirmation of DSL decides the extent of DSL's obligation to supply. During the delivery period, DSL reserves the right to make technical changes which do not impair the functioning of the products. Regardless of the volume of the order, DSL reserves the right to make partial deliveries.

1.3 Property rights and copyright to the documents on which the offers are based belong solely to DSL. The rights to reproduction and distribution are retained by DSL. The offers shall not be made accessible to third parties. The drawings and other documents on which the offers are based must be returned on demand of DSL if the contract does not come into being.

1.4 The prices refer to the scope of goods and services described in the offer.

1.5 The prices are based on the list prices of DSL as in force from time to time. The prices listed therein are ex stock Viersen plus the VAT rate valid at the time at which the relevant services or products are provided. The prices are calculated according to type and volume of the offer and are adjusted if the customer requests later modifications. Insofar as the list prices are calculated on the basis of delivery prices of the suppliers, of currency parities or customs and import duties and this was expressly made part of the contract, DSL shall be entitled to carry out a reasonable price correction after a period of 4 months if these calculation data change and delivery has not yet been made by that time. Excluded from this are fixed prices, which shall require a special written agreement. DSL may make price changes if the quantities purchased differ from those given in the order confirmation.

### **2. Invoicing and payment**

2.1 Deliveries are made C.O.D., C.I.A or by invoice. Invoices must be paid to DSL's seat strictly net without deductions within 30 days after date of invoice. In the case of new customers, DSL reserves the right to request payment C.O.D. or C.I.A.

2.2 The services provided by DSL, in particular taking systems into operation, instruction, training, service, maintenance and commissions, must be paid to DSL's seat strictly net without deductions.

2.3 The following payment conditions apply for orders exceeding € 10,000 net: 1/3 of the order total must be paid within 14 days after receipt of order confirmation. 2/3 of the order total must be paid within a period of 30 days after delivery.

2.4 DSL is not obliged to accept bills of exchange, or cheques. Discounting charges, note tax and collection charges are to be borne by the customer.

2.5 Payment by bill of exchange or by cheque is not considered as fulfilled until the bill of exchange or the cheque has been cashed and irrevocably credited to the account of DSL.

2.6 The right of retention is excluded in commercial dealings. The right of retention is also excluded if the counterclaim is not based on the same contractual relationship.

2.7 As of the due date the customer is obliged to pay interest on the invoiced amount of 5% above the basic interest rate according to § 247 of the German Civil Code (BGB). This shall not apply if the customer is a consumer in the sense of sec. 13 German Civil Code.

### **3. Delivery and acceptance**

3.1 DSL is obliged to deliver the volume specified in the order confirmation. Impossibility of delivery or inability to deliver due to circumstances for which DSL is not responsible release DSL from its obligation to supply. The same shall be true for force majeure, which releases DSL from its obligation to supply as long as the effects of the force majeure exists.

3.2 The delivery period indicated by DSL begins with the date of the order confirmation, however not prior to receipt of payments due and existence of all other necessary prerequisites. Delivery periods are binding only if they are agreed upon in writing. The delivery periods shall be extended reasonably to the extent that changes or amendments of the order occur. Claims for damages due to exceeding of the delivery period by up to 6 weeks are ruled out. Otherwise the damage claim of the customer shall be limited to 5 % of the agreed purchase price unless the customer proves to have suffered a higher damage. No. 5.5 shall apply accordingly.

3.3 Transport insurance is taken out at the expense of the customer if he requests this expressly and in writing.

3.4 If the customer steps back from the contract without reason to do so, the customer shall be obliged to pay DSL damages in an amount of 30% of the order value unless the customer can prove that the resulting damage was lower than this.

### **4. Passage of risk**

4.1 The risk of loss or deterioration shall pass to the customer on dispatch of the goods to the customer at the latest. This is also true for partial deliveries and if DSL bears the costs for transport, transport insurance or setting up the equipment.

4.2 It is agreed that the risk also passes to the customer if the goods are ready for dispatch but the delivery does not occur due to circumstances beyond the control of DSL. The passage of risk requires the customer to have been previously informed of the readiness of the goods for dispatch.

### **5. Notification of defects, acceptance, liability for defects, liability in general**

5.1 Statutory claims for defects of the customer shall be time bared after 12 months if the customer is an entrepreneur in the sense of § 14 German civil Code. If the customer is a consumer in the sense of § 13 German Civil Code the statutory provisions shall remain unaffected. DSL shall be notified without undue delay of defects in the goods delivered, and no later than 14 days after delivery. Hidden defects shall be notified without undue delay after discovery. The liability for defects ends immediately if without written consents of DSL the customer himself or a third party makes changes or repairs to the goods delivered.

5.2 If the goods delivered are installed by DSL, the customer shall declare acceptance immediately and in situ. If he does not declare acceptance, the latter is considered as declared once the goods delivered and installed are taken into operation by the customer. In the case of installation defects, the customer must immediately lodge a complaint in the presence of the installer or the representative of DSL. Warranty claims are ruled out after acceptance provided they do not concern hidden defects.

5.3 If DSL installs the system itself, it is not obliged to check preparatory work done by third parties and remark on any incorrect or inexperienced preparatory work. Any claims for damages which the customer derives from this work are ruled out.

5.4 Warranty claims of the customer, insofar as DSL is responsible for them, are restricted to rectification provided that the customer lodged his complaint in a timely fashion or, if the contractor so chooses, to replacement delivery. If rectification or replacement delivery are unsuccessful, the customer can choose between reducing the purchase price or revoking the contract.

5.5 Claims for damages on the part of the customer, for any legal reason whatsoever, are restricted to cases of wilful intent and gross negligence. This is true in particular for claims resulting from incorrect service or installation work or any consequential damage caused by the defects. The exemption from liability also applies to the subcontractors commissioned by DSL to fulfil the services.

## **6. Reservation of title**

6.1 The goods supplied remain the property of DSL until payment has been made in full. The customer agrees to neither give the goods in mortgage nor assign them as collateral until passage of ownership.

6.2 If the customer resells goods supplied under reservation of title before payment has been made in full, the customer already now assigns to DSL which so accepts its claims out of this sale towards the third party a partial claim in the amount of the invoice amount of the goods delivered. The customer must notify the relevant third party of this assignment when reselling the goods.

## **7. Export restrictions**

The goods supplied are intended for ultimate use in the Federal Republic of Germany. The customer shall be responsible to observe export regulations and to maintain usability of the products outside of the Federal Republic of Germany.

## **8. Place of performance and legal venue, applicable law**

In commercial dealings, Viersen is the place of performance and the legal venue for all conflicts arising from this agreement. Only German law shall apply with the exclusion of UN sales law.