

Conditions of Purchase

1. General

- 1.1. These conditions apply to all, including future deliveries of the Seller to Schiffsdieseltechnik Kiel GmbH (hereinafter called **SDT**) during the current business relationship.
- 1.2. Deviant General Terms and Conditions of the Seller only apply insofar as SDT has explicitly approved of these in writing.

2. Bid Solicitation and Conclusion of Contract

- 2.1. SDT reserves property rights and copyrights to all technical data, building specifications, drawings, samples and other information, also in electronic form, submitted to the Seller. These and their contents may not be made accessible to third parties; if requested, they have to be returned without delay after the inquiry has been completed or the order has been processed.
- 2.2. A Contract comes into being exclusively based on orders in writing by SDT. Orders in advance, either verbal or by telephone, have to be confirmed in writing by SDT. In turn, the Contractor has to confirm the written orders and confirmations of SDT in writing without delay.

3. Delivery Period

- 3.1. The delivery period results from the agreements of the parties. It must be strictly observed. In case of non-compliance, the Seller will be in default, even without any further reminder or request by SDT.
- 3.2. In case of an imminent non-compliance of the delivery date, the Seller is obliged to inform SDT immediately. In case the Contractor is in default, SDT is entitled to legal rights.

4. Delivery, Packaging, Despatch Note

- 4.1. The delivery items have to be delivered DDP Incoterms 2010 to the premises of SDT at the cost and risk of the Contractor (place of fulfilment). SDT has to be informed of the completed despatch in text form on the same day.
- 4.2. If, due to a different agreement, the despatch will be carried out at the cost and risk of SDT, the Contractor is obliged to advise the despatch in good time to enable SDT to arrange appropriate transport insurance.
- 4.3. The Contractor is obliged to include a detailed packing slip in all deliveries. Technical test and approval certificates have to be submitted simultaneously upon receipt of the delivery at SDT.
- 4.4. The amount SDT charges for packaging in case of freight paid returns is equivalent to 2/3 of the amount charged by the Seller to SDT.
- 4.5. Deposits for packaging provided on loan may not appear as part of the commercial invoice, but have to be charged separately.

5. Warranty Claims

- 5.1. The Seller waives the defence of the delayed notification of defects (§§ 377, 381 Abs. 2 HGB (Commercial Code)) in case of obvious defects, provided these are notified within 10 working days after delivery.
- 5.2. In case of material defects and defects of title, SDT has the legal warranty claims, subject to the following regulations.

- 5.3. If SDT requests such deficiencies to be remedied, the Seller is obliged, at the option of SDT, to remedy the defects free of charge for SDT or deliver a new consignment.
- 5.4. If the defect delivery item is on board a ship or part of other large plants, the Seller is obliged to remedy the defect free on board or free location of the plant.
- 5.5. In cases of particular urgency and having informed the Contractor, SDT is entitled to immediately take the required measures or to instruct a third party to remedy the defects at the expense of the Contractor. This also applies if the Contractor has not remedied the defect within an appropriate period set by SDT, if the Contractor refuses to take remediate action from the outset, if the subsequent improvement has failed or if it is unreasonable for SDT.
- 5.6. In respect of delivery items, which will be installed on ships, the warranty period begins with the date of the ship's delivery to SDT's customer and in case of delivery items, which will be installed in machine plants, with the date of the commissioning of the plant. Regarding other delivery items: if acceptance has been agreed, the period will begin with this acceptance, otherwise at the transfer of risk.

6. Terms of Payment

- 6.1. The purchase price is due for payment 30 days after receipt of the invoice. If SDT receives the invoice prior to delivery, the 30-day period will begin upon receipt of the delivery and, if agreed, after successful acceptance.
- 6.2. In case of payments within 8 days, SDT is entitled to deduct 3 percent discount and in case of payments within 15 days 2 percent discount.

7. Transfer of Rights and Obligations, Compensation

- 7.1. The transfer of the Seller's rights and obligations from the contractual relationship with SDT to third parties requires the advance written approval of SDT.

8. Insurance

- 8.1. During executing the order, the Seller is obliged to maintain liability insurance with a minimum cover of EUR 525,000.00 for material damage and of EUR 105,000.00 for damage caused by processing.
- 8.2. Proof of the existence of the insurance must be submitted to SDT at the Seller's own accord prior to the start of the delivery.

9. Place of Jurisdiction, Choice of Law

- 9.1. The place of jurisdiction for all disputes arising from or in connection with the contractual relationship of the parties is the seat of SDT.
- 9.2. All contractual relationships between the parties shall be exclusively subject to the law of the Federal Republic of Germany, the UN Sales Convention does not apply.