



GENERAL TERMS AND CONDITIONS OF SALE

as of: 09.01.2012

1. General

1.1 The following terms of sale apply exclusively for all deliveries, services and offers made by LD Didactic GmbH (hereinafter: LD) with respect to entrepreneurs, legal entities under public law or public separate assets (hereinafter: buyer). An entrepreneur is any natural or legal person exercising his/her commercial or independent occupational interests by concluding a legal transaction. Buyer conditions which are contrary to, or deviate from, these terms of sale are only recognized if they have been given express consent. The buyer's general terms of business shall also not be deemed applicable even though these General Terms and Conditions provide no applicable stipulation, are incomplete or ineffective.

1.2 These terms and conditions of sale shall also apply to all future business with the buyer to the extent they represent legal transactions of a related nature, even then when they have not again been expressly agreed.

2. Offer and acceptance period

2.1 Offers made by LD are subject to change and non-binding. An agreement between LD and the buyer materializes only then when LD accepts the buyer's order.

2.2 LD reserves the right to accept buyer orders within a period of three weeks after receipt of the buyer's order. With acceptance of the offer a binding contract is concluded.

3. Scope of performance

3.1 The quality as stated in the order confirmation (performance specification) is completely and finally determinant for the characteristics of the subject of delivery. In particular, the general public statements made by LD or the statements made by a supplier, his vicarious agents or any third party do not represent any supplementary or modifying description of the delivery subject.

3.2 Details contained in catalogues, brochures and quotation documents are non-binding to the extent they are not explicitly designated as binding.

3.3 In individual cases LD is entitled to structural modifications and the use of different materials when these measures are not adverse to any buyer interests meriting protection.

3.4 LD retains the property and proprietary rights to all documents furnished in conjunction with the buyer's order; such as calculations, drawings and so forth. These documents may not be made available to third parties without the written consent of LD.

3.5 Upon request, all documents which were furnished by LD shall be returned without delay. It shall not be necessary to request the return of such documents in the event the order is not issued to LD or LD declines order confirmation.

4. Pricing and terms of delivery

4.1 Prices shall be understood to be ex-works

(INCOTERMS 2000). Installation and commissioning as well as additional deliveries and services will be additionally charged at cost price.

4.2 For orders delivered within Germany, shipping charges will be waived if the order amount equals or exceeds €150. For orders delivered within Germany amounting to less than €150, a flat rate of €15 net for shipping and handling will apply.

4.3 It should be noted that for foreign orders (i.e. outside Germany), the shipment to foreign delivery addresses and bank transfers for payment may result in additional taxes or costs which are not collected by LD or placed in the invoice.

4.4 LD shall additionally charge transaction taxes (turnover tax, etc.) in accordance with the given effective legal regulations.

4.5 Notwithstanding an express agreement to the contrary, LD shall, at the buyer's expense, insure ordered goods against the standard transport risks, including damage by breakage. Insofar as assembly, assembly supervision or commissioning is to be performed, the relevant LD terms and conditions shall apply additionally.

5. Transfer of risk

5.1 Upon contractual delivery, the risk of accidental deterioration or accidental destruction shall pass to the buyer.

5.2 In the event of a sale to destination according to buyer's instructions, the risk of accidental loss or deterioration shall pass to the buyer along with transfer to the person responsible for transport but not later than departure of the goods from the plant/warehouse. This also applies in the case of partial deliveries and when LD has assumed responsibility for other services.

5.3 If shipping is delayed due to circumstances for which LD is not responsible, the risk shall pass to the buyer when he is notified the delivery is ready for shipment.

6. Terms of delivery

6.1 Delivery dates or periods can be agreed in writing as binding or non-binding. Disregard for the written form has no influence on the effectiveness of the agreement. LD may exceed non-binding delivery periods by up to six weeks. LD is only in delay of performance after the six week grace period if a reminder is received from the buyer. If subsequent order changes are agreed then a new delivery date must also be agreed. Otherwise the delivery period shall be deemed extended for a reasonable amount of time.

6.2 The delivery period only begins after all commercial and technical prerequisites for executing the order have been clarified with the buyer, any documents to be procured by the buyer have been received by LD, any necessary permits and releases have been issued, and agreed advance payments have been credited to an LD bank account. The delivery deadline shall be deemed met when, up to its expiration – providing the buyer has fulfilled the above contractual obligations – the delivery item is turned over to the first carrier or the buyer has been advised the delivery is ready for shipment. Partial deliveries shall be admissible unless they are of no interest to the buyer. Delivered items, even when they exhibit minor defects, are to be accepted by the buyer; the delivery deadlines are thus deemed as met.

6.3 Delivery and performance delays due to Acts of God, natural catastrophes or because of blameless work conflicts, blameless transportation or business disturbances, blameless material defects, export permits not issued, and similar grounds at LD and/or its suppliers entitle LD to rescind the order

completely or in part or to postpone the delivery deadline until the cause of delay has been alleviated – but not longer than two months – without recourse for the buyer against LD for neglect of duty. The buyer is entitled to withdraw from the order if the aforementioned grounds persist for longer than two months. The buyer remains free to exercise his legal rights of cancellation at an earlier point in time – for instance due to frustration of contract or blameless impossibility of performance on the part of LD.

7. Terms of payment

7.1 The net invoice amount is payable, without any discount, immediately upon receipt of invoice unless another payment period has been explicitly agreed. Partial deliveries shall entitle LD to invoice the respective partial delivery.

7.2 If the order purchase price is over €20,000 the buyer shall make a down payment equal to 50 % of the purchase price. If the order purchase price is over €50,000 the buyer shall make full payment in advance.

7.3 The buyer is in default, without reminder, 14 days after the due date of LD entitlement and receipt of the invoice or delivery. In the event of default, LD is entitled, to demand interest at a rate of eight percentage points over the base interest rate of the European Central Bank. Proof of even higher damages incurred by LD is permissible anytime. The buyer is at liberty to prove the damages incurred by LD were lower.

7.4 Payments shall be effected exclusively to one of the appointed LD payment offices. They are to be effected on the date due on a postage- and expense-free basis without any deductions. Charges, expenses or other costs which may be incurred by LD in consequence of a separately agreed acceptance of bill of exchanges or checks shall be debited to the buyer. For payments of any kind, the day upon which LD is able to dispose over the amount in question shall be deemed the date of performance.

7.5 Offsetting balances and rights of lien may only be asserted with indisputable or legally established counterclaims.

7.6 LD is entitled to assign its claims against a buyer arising from a contract relationship in advance and/or subsequently, in particular for financing purposes.

8. Retention of title

8.1 Delivered items remain the property of LD until such time as all liabilities arising from the business relationship, including future or conditional claims, have been settled in full. In the event the buyer defaults on payment, LD is entitled to repossess the delivery item at issue (hereinafter: conditional commodity) without issuing a payment reminder demand. Insofar as the validity of retention of title is subject to mandatory special or legal prerequisites, the buyer shall ensure they are fulfilled.

8.2 To the extent he is not in default, the buyer shall be entitled dispose over the delivery item in the ordinary course of business. Claims which accrue to the buyer during the period of retention of title on the basis of resale or other legal grounds (including all balance receivables in current accounts) shall irrevocably be ceded in full amount to LD in advance as a form of security. Subject to revocation by LD, the buyer is empowered to collect such claims on a trust basis.

8.3 At the request of the buyer, LD shall undertake to release securities to which it is entitled, provided the value of such securities exceeds the unsettled claims to be secured by more than ten one-hundredths.

8.4 The buyer shall process and treat the delivery item on behalf of LD without giving rise to any obligation on the part of LD. If the delivery item is treated or combined, mixed or blended with objects which do not belong to LD (§§ 947 et seq. German Civil Code), LD shall be entitled to a coownership share in the new object at the ratio of the value of the delivery item to the other processed goods at the point in time before they were treated, combined mixed or blended. If the buyer acquires sole ownership pursuant to law, he hereby grants LD an appropriate co-ownership share or preserves the object for LD to this end. The provisions contained in item 8 also apply respectively to such co-ownership share.

8.5 The buyer shall immediately inform LD about any levy of distress or third party seizures with respect to the conditional commodities.

8.6 During retention of title, the buyer is obliged to adequately insure the delivery item at his own expense against theft, breakage, fire and water damage and, at the request of LD, furnish evidence to this effect. In the requested evidence is not presented within a reasonable period, LD shall be entitled to insure the delivered item at the expense of the buyer.

9. Warranty

9.1 For defects in the delivery item detected prior to the transfer of risk, LD is, at its own option, entitled to either rectify such defects or make a replacement delivery (supplementary performance). The buyer shall bear the cost of return shipment for the defective item insofar as this cost is not disproportionate to the value of the item.

9.2 If supplementary performance proves to be unsuccessful, the buyer is entitled to request cancellation of sale or reduction of purchase price without prejudice to potential damage compensation claims. Supplementary performance is deemed to have failed when the defect has not been remedied after the third supplementary performance attempt.

9.3 Notification about defects must be made upon delivery without delay. Notification about hidden defects shall take place promptly after their discovery. Such notifications shall state which defects have been detected and whether they were noticed immediately or only after further processing of the parts at issue. LD is entitled to have their own personnel inspect the deficiency.

9.4 When a claim for damage compensation is not involved, defect claims become time-barred after 24 months for users and after 12 months for companies, both stated periods beginning with delivery of the goods. Claims for damage compensation as a consequence of redhibitory defects lapse 12 months after delivery of the goods except in cases of personal injury damages, deliberate neglect of duty or gross neglect of duty. The statutory limit for legal claims under a right of recourse remains unaffected.

9.5 The buyer does not have the right to withdraw from contract except in the case of neglect of duty for which LD is blameless. The right of termination pursuant to § 649 German Civil Code remains unaffected. If LD is to carry out an adaptation of performance in order to comply with the buyer's order requirements (contract for work), the buyer must provide adequate compensation if he chooses to withdraw from the contract by termination. The amount of compensation shall be commensurate with the necessary overhead already exerted at the point in time the declaration of withdrawal is made, maximum compensation being the agreed contract price. The purchaser is at liberty to prove that less overhead was incurred.

10. Liability for usage other than originally intended

10.1 None of the products sold by LD are intended for private consumers (private end users) but rather intended exclusively for use in educational institutions such as general and vocational schools, technical colleges, universities, private or public training centers and industrial operations (intended use).

10.2 If the buyer allows third-party private usage of the goods, either occasionally or continuously, regardless of the manner or lawful reason then the buyer has abandoned intended use.

10.3 In this case the buyer releases LD from all contractual or legal obligations, claims and duties, including claims under the product liability law, that were associated with original intended use.

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11. Liability for property right infringements

11.1 Insofar as LD makes no special notification, the delivery item is deemed to be free of thirdparty property rights with respect to awareness of state-of-the-art technology in the Federal Republic of Germany. However, if the delivery item or a part of the same should, at the point in time of contract conclusion, infringe on a property right which has already been issued and published in the Federal Republic of Germany, or if the delivery item explicitly incorporates a particular protected procedural right or infringes on a corresponding procedural right, and consequently results in the instigation of legal proceedings against the buyer then, at its own option and within a reasonable period, LD shall either obtain for the buyer the right of continued utilization, modify the delivery item, part or procedure such that an infringement of third-party rights no longer exists, or withdraw from the contract. LD does not accept any further liability, particularly for procedures, applications and products, etc. Claims against LD for liability due to property right infringements are limited to foreseeable damages.

11.2 In the event third-party property rights are infringed upon by drawings or details furnished by the buyer, the buyer shall be responsible for such infringement and indemnify LD against claim.

12. Repairs

Repairs and returns will be handled by LD exclusively under the following conditions. LD does not recognize any deviating buyer conditions.

12.1. Order / cost estimate / repair

12.1.1 LD will perform repairs only after receiving a written order.

12.1.2 LD will issue an order confirmation for the device received.

12.1.3 Cost estimates will only be created at the express request of the ordering party. A cost estimate lump-sum fee of 51.00 Euro will be levied for devices having a replacement value less than 500.00 Euro and 151.00 Euro when replacement value is over 500,00 Euro. When a repair order is issued the cost estimate lump-sum fee will be waived.

12.1.4 Repairs made under guarantee will only be performed if a completely filled out return form accompanies the repair return shipment. In this case, the established General Standard Terms and Conditions shall apply.

12.1.5 Necessitated by organizational grounds, LD reserves the right to delegate repair work to an LD authorized contract workshop.

12.1.6 Repair orders are accepted subject to the procurement of replacement parts.

12.2. Shipment

12.2.1 If an order is not placed within one month of the date when the cost estimate is issued, the device will be returned without repair.

12.2.2 Incurred shipping charges for devices returned without repair, when neither a cost estimate nor a repair order has been issued, shall be borne by the recipient.

12.2.3 Return shipment of all devices is carried out at the expense and risk of the customer. On request, LD will insure the device against transport damage and loss at the customer's expense. If transport damage or breakage is determined, application is to be made to the carrier for an assessment of facts. Entitlement to claims for damage will otherwise be lost. 12.3 Defect claims and liability

12.3.1 Repair service defects apparent within a period of limitation which were already present prior to the transfer of risk will be reworked by LD within a reasonable time at no charge.

12.3.2 If the rework fails, the buyer can withdraw from the contract or reduce remuneration.

12.3.3 Entitlement to make defect claims expires 12 months after acceptance.

12.3.4 After the transfer of risk, there is no entitlement to defect claims for normal wear, for damage ensuing from excessive stresses, for unsuitable equipment or for damage due to exceptional external influences for which the contract has no provisions.

12.3.5 If the buyer or third parties make unauthorized modifications or repairs then there shall be no recourse to defect claims arising from these or any consequences thereof.

12.3.6 Buyer claims for damage and reimbursement of expenses are excluded, regardless of legal grounds, but in particular with respect to pre-contractual breach of duty, breach of duty arising from indebtedness and tortious liability. This does not apply insofar as liability is mandatory, e.g. in cases of intent and gross neglect, with respect to harm of life, limb or health and for violation of essential contract obligations. However, damage claim compensation for violation of essential contract obligations is limited to contract-typical foreseeable damages insofar as intent or gross negligence is not given.

The above provisions do not imply a change in the burden of proof to the detriment of the buyer.

12.3.7 No liability is accepted for consumables included with delivery, such as film material, batteries, etc.

13. Other liabilities / liability exclusions

13.1 With respect to breaches of contractual and extra-contractual obligations, particularly due to impossibility, delay, and tortious trade, LD – and/or its vicarious agents – shall be liable only in cases of intent and gross negligence, limited to contract-typical damage foreseeable when the contract was concluded.

13.2 These limitations do not apply for culpable breach of essential contractual obligations by LD, if fulfillment of the purpose of the contract is endangered, in cases of mandatory liability under the product liability law, by harm to life, limb or health (personal injury), and also not then when LD has deceitfully concealed defects or guaranteed their absence. The rules of burden of proof remain unaffected by this. Essential contract obligations are those LD obligations that enable proper execution of the contract in the first place and on whose observance the buyer can generally expect to have trust.

14. Place of performance, jurisdiction, severability clause

14.1 The place of performance shall be Hürth, Germany, unless specified to the contrary in the order confirmation.

14.2 The place of jurisdiction is that of the business headquarters for LD Didactic GmbH, currently Hürth, Germany.

14.3. Should a provision of these Terms and Conditions or a condition in the context of other agreements be or become invalid, this shall not impair the validity of all remaining provisions or agreements.

15. Applicable law

The laws of the Federal Republic of Germany shall apply. The application of the standard UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.

Note pursuant to the Federal Data Protection Act LD stores and processes customer data.

LD Didactic GmbH