

GENERAL DELIVERY CONDITIONS FOR PTFE COMPETENCE CENTER GMBH (SELLER)



PTFE
Competence
Center

for use in business dealings with companies:

(As of 11/2014)

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§ 1 Applicability

1. Our deliveries, services and offers shall take place exclusively on the basis of the following conditions. These are a component of all contracts which the customer concludes with us concerning deliveries and services offered by us. They also apply for all future deliveries, services or offers to our customers even if they have not been agreed again separately.

2. Alternative conditions of the customer or third parties which we do not expressly approve in writing shall not be a component of the contract, even if we do not expressly object to them or the customer indicates its own conditions of purchase in the same sense. The terms of business are considered to be accepted upon placing of orders or receipt of delivery. The conditions defined in the specification of services determine the characteristics of the services conclusively.

§ 2 Offers and conclusion of contract

1. All offers of the seller are subject to change and non-binding, unless they are expressly identified as binding or contain a specific acceptance period. The seller can accept requests or orders within fourteen days after receipt.

2. The legal relationship between seller and customer is governed solely by the sales contract concluded in writing, including these general delivery conditions. The contract represents fully all agreements between the contracting parties regarding the subject matter of the contract. Verbal assurances of the seller before the conclusion of this contract are not legally binding and verbal agreements between the contracting parties shall be replaced by the written contract, unless they expressly set out that they will continue to be binding in each case.

3. Any amendments and supplements to the agreements made including these general delivery conditions shall only be valid if agreed in writing. With the exception of managers or authorised signatories, employees of the seller are not authorised to make verbal agreements which deviate from this. Telecommunicative transmission, particularly via fax or email, is sufficient to meet the requirement of the written form, if the copy of the signed declaration is passed on.

4. Information from the seller on the subject of the delivery or service (e.g. weights, dimensions, usage values, loading capacity, tolerances and technical data) as well as our representations of the same (e.g. drawings and figures) shall only be relevant if applicability for the contractually intended use does not require exact conformity. These will not be considered guaranteed characteristics, rather descriptions or characterisations of the delivery or service. Customary deviations, and deviations which occur on the basis of legal regulations or represent technical improvements, and the replacement of components by equal parts shall be permitted if the applicability for the contractually intended use is not impaired.

5. The seller shall retain ownership or copyright to all offers and cost estimates submitted by it, as well as drawings, illustrations, calculations, brochures, catalogues, models, tools, and other documents and aids made available to the customer. The customer may not make these objects available to third parties (neither the objects themselves nor their contents), disclose them or use or copy them themselves or through third parties without the express consent of the seller. At the request of the seller, the customer must return these objects in full and destroy any copies made if they are no longer required by it during the normal course of business or if negotiations do not lead to the conclusion of a contract.



§ 3 Prices

The prices apply for the scope of services and delivery listed in the order confirmations. Additional or incidental services shall be charged separately.

Our prices are quoted in Euros ex works excluding packaging, transport costs and VAT, unless otherwise agreed in writing.

If not otherwise agreed, the sales price shall be calculated as price/unit of quantity multiplied by the quantity delivered.

If the list prices of the seller underlie the agreed prices and the delivery shall only occur more than four months after conclusion of the contract, the list prices of the seller valid at the time of delivery shall apply (less any agreed percentage or fixed discount).

§ 4 Payment conditions

1. The invoice shall be issued on the day of dispatch of the goods. Terms of payment shall apply from the date of invoice. If, after obligation to take delivery has occurred, there is no dispatch order from the customer, or if the goods are stored until collection, the invoice shall be issued under the date of dispatch readiness of the goods.

2. Invoices shall be due upon receipt of the invoice without discount. Default of payment shall occur if the invoice is not settled at the latest within 30 days after receipt.

3. In case of default as well as for exceedance of an agreed payment date, default interest in the amount of 5% p.a. shall be owed.

4. Cheques shall be considered as cash payment if they are sent to us in sufficient time such that their encashment can take place within the above terms of payment.

5. The acceptance of drafts or cheques shall only be completed on account; the customer shall bear all costs associated therewith. We undertake no responsibility for correct production and procurement of protests. Drafts and cheques shall only be credited under reserve of the correct entry by deducting the appropriate interest and costs accrued by us.

6. The presentation of one's own or external acceptances whose receipt we reserve in any case, shall not be considered as cash payment. Cash discounts on draft payments shall not be guaranteed. Discount charges and draft stamp tax shall be borne by the customer.

7. Interest from advance payments or payments on account shall not take place.

8 We are entitled to carry out or provide outstanding deliveries or services only against advance payment or security, if after the conclusion of the contract circumstances become known to us which could substantially diminish the creditworthiness of the customer and which would threaten the payment by the customer of the outstanding claims of the seller from the respective contractual relationship (including other individual orders for which the same framework agreement applies).

9. The customer may set off or withhold payments only if its counterclaim is undisputed or legally binding. In the case of the existence of defects a right of retention is not due to the customer unless the delivery is obviously defective or a right to refuse acceptance of the work is obviously due to the customer. In such a case the customer is only entitled to retention if the retained amount is proportionate to the defects and the expected costs of cure (particularly of removal of defects). The customer is not entitled to assert claims and right due to defects if it has not made the payments due and the amount due is proportionate to the value of the delivery or works affected by the defects. Discounts shall only be approved if they are agreed.

10. Payments made shall only have the effect of discharging debt at the place of delivery. Payments to employees of our company are only debt-discharging if the latter are provided with a written power for collection.

§ 5 Packaging

1. Unless otherwise agreed, the packaging and delivery method shall occur at our discretion.
2. Packaging shall be the property of the customer and calculated by us. Transport and packaging costs shall be invoiced separately. Hired packaging shall be calculated by us and credited on carriage-free return in good

condition within 4 weeks after receipt of the delivery at an agreed rate. If nothing is agreed, the credit entry shall amount to 50% of the originally calculated value. The official railway note „inadequately packaged“ shall not be to our disadvantage.

§ 6 Delivery

1. The customer is obliged to accept the delivery item. In the absence of any other agreement (e.g. delivery by us) the handover shall occur in our factory. The customer is entitled to inspect the delivery item at the place of handover within fourteen days after receipt of the delivery notification or other notification of completion. The customer is obliged to accept the delivery item within the same period unless it is temporarily prevented from acceptance through no fault of its own.
2. If the customer does not accept the delivery item, the seller is entitled to exercise its statutory rights.
3. Upon acceptance of the delivery item, the risk shall be transferred to the customer. If the customer declares that it shall not accept the delivery item, the risk of accidental ruin or accidental deterioration of the delivery item shall be transferred to the customer at the time of refusal.

Agreed delivery dates are to be adhered to as best as possible, however they may be extended upon occurrence of unforeseen events, particularly operating trouble, strikes and acts of God. We shall only guarantee the timely provision of our deliveries and/or services if we receive the required supplies and other services on time. We shall inform the customer immediately about non-availability or non-timely availability of supplies and shall refund services received in return immediately if necessary. The burden of proof that we are responsible for a violation of duty in connection with the provision of supplies rests with the customer.

The seller is not liable for inability to deliver or for delivery delays if these are caused by acts of God or other events that were unforeseeable at the time of the contract being concluded (e.g. operational disturbances of any kind, difficulties in procuring materials or energy supplies, transport delays, strikes, legal lock outs, a lack of staff, energy or raw materials, difficulties in the procurement of the necessary official licenses, official measures or missing, incorrect or late delivery by suppliers) for which the seller is not responsible. If such events make it significantly more difficult or impossible for the seller to make deliveries or provide services, and the hindrance is not merely temporary in nature, the seller is entitled to withdraw from the agreement. In the event of hindrances which are temporary in nature, the delivery or service deadlines shall be extended or postponed by the period of the hindrance, plus a reasonable start-up period.

If the delivery date is exceeded by more than 2 weeks, the customer is entitled to set an appropriate extension of time. If this date is also not fulfilled, the customer has the right to withdraw from the contract within 2 weeks after expiry of this period. We shall notify the customer at the beginning of the period of the envisaged implication of its behaviour.

4. Agreed delivery dates shall be deemed to have been met when the goods to be delivered have left the factory or notification of readiness for dispatch has been provided to the customer.
5. Reasonable partial deliveries and premature delivery as well as deviations from the order quantity up to +/- 10% are permitted if not otherwise agreed.
6. If the dispatch of the deliveries is delayed by us at the request of the customer by more than 2 weeks after the agreed delivery date or if no exact delivery date was agreed, after notification of readiness for dispatch, we are entitled to charge a lump sum for storage charge for each month (if pro rata temporis) in the amount of 1% of the net price of the delivery item, but 5% at the most. The customer reserves the right to provide evidence that no or only considerably less damage was incurred by us. We reserve the right to provide evidence that a higher loss was incurred.

§ 7 Guarantee/Material Defects

1. Our statements concerning delivery and service item, intended purpose, quality etc. are to be considered approximate. As a general rule, if not otherwise agreed in writing, the item shall be considered free from material defects if it is suitable for normal use and exhibits a quality which is standard for items of the same type and which the purchaser can expect according to the type of item. Further guarantees, in particular for the durability or quality of the delivery item, shall not be undertaken. Statements on our part in connection

with the contract (e.g. service descriptions, reference to DIN standards etc.) contain in case of doubt no acceptance of guarantee, even implicit. In case of doubt, only express written statements on our part are applicable concerning the separate acceptance of a guarantee. Claims for defects shall not exist in the case of insignificant deviation from the agreed quality or for insignificant impairment of usability.

2. Deviations from models or earlier deliveries shall be avoided if technically possible and reasonable.

3. The delivered goods are to be carefully examined immediately upon delivery to the customer or to a third party designated by it. In the event of obvious defects or other defects which would have been noticeable following an immediate and thorough examination, the goods shall be deemed to have been approved by the customer if the seller has not received a written defect complaint within seven working days after delivery. Concerning other defects, the delivery items shall be considered as approved by the purchaser if the defect complaint is not received by the seller within seven working days after the time in which the defect appeared; however if the defect was already noticeable for the customer upon normal use at an earlier time, this earlier time is relevant for the beginning of the notice period. A faulty delivery item is to be returned carriage-free to the seller at the request of the seller. In the event that the complaint is justified, the seller shall reimburse the costs of the most favourable shipping route; this shall not apply if the costs are increased because the delivery item is located at a place other than that of the intended use.

4. In the event of material defects in the delivered goods, the seller has the right and the obligation either to rectify or to replace according to its choice within an appropriate time period. Should this fail, i.e. should subsequent performance or replacement delivery be made impossible, unreasonable, be refused or inappropriately delayed, the customer shall have the right to withdraw from the contract or to reduce the purchase price accordingly.

5. If a defect is caused and is the fault of the seller, the customer shall have the right to request compensation subject to the prerequisites provided for in § 8.

6. In the case of defects of components of other manufacturers which the seller cannot eliminate for reasons of licensing rights or for factual reasons, the seller shall at its discretion assert its warranty claims against the manufacturer and suppliers for the account of the customer or shall relinquish these to the customer. Warranty claims against the seller shall exist for such defects under other prerequisites and according to these general delivery conditions only if the legal enforcement of the aforementioned claims against the manufacturer and suppliers was unsuccessful or for example, is futile due to insolvency. For the duration of the lawsuit the statute of limitations of the relevant warranty claims of the customer against the seller is inhibited.

7. The warranty shall no longer apply if the customer modifies the delivery object or has third parties modify the delivery object without the consent of the seller, rendering the elimination of a defect impossible or making it unreasonably difficult. The customer shall in any case bear the additional costs for the elimination of a defect incurred due to such modifications.

8. Deliveries of used goods individually agreed with the customer shall take place without any warranty for material defects.

§ 8 General limitations of liability

A.1. We shall be liable in cases of wilful intent or gross negligence on our part or on the part of a representative or agent in accordance with statutory provisions. Otherwise we shall only be liable according to the Product Liability Act, concerning damage to life, body or health or concerning culpable breach of a fundamental contractual obligation. A claim for damages arising from a breach of fundamental contractual obligations is restricted here to foreseeable contractual damages. Our liability is also restricted in cases of gross negligence to foreseeable damages typical for the contract, if there are no exceptions specified in clause 2 of this paragraph 1.

2. Liability for damages to legally protected goods of the customer by the delivery item, e.g. damages to other items, is however completely excluded. This shall not apply in cases of intent or gross negligence or regarding injury to life, body or health.

3. Regulations of the above paragraphs 1 and 2 shall extend to compensation in addition to performance and compensation in lieu of performance for whatever legal reason, particularly because of defects, breach of

duties under the contractual obligations or from unauthorised handling. They shall also apply for the claim for compensation of unsuccessful expenses. Liability for delay is however determined according to letter B, liability for inability according to letter C.

B. We shall be liable for a delay in performance in cases of wilful intent or gross negligence on our part or on the part of a representative or agent in accordance with legal provisions. Our liability is restricted in cases of gross negligence however to foreseeable damages typical for the contract if there are no exceptions specified in clause 5 of this provision. Otherwise our liability is restricted concerning delay of performance for compensation in addition to performance to 5% and compensation in lieu of performance to 10% of the value of the delivery/service. Additional claims of the customer are excluded - even after expiry of a time period set by us for service. The above limitations of liability shall not apply for injury to life, body or health.

C. We shall be liable for inability of delivery/service in cases of wilful intent or gross negligence on our part or on the part of a representative or agent in accordance with legal provisions. Our liability is restricted in cases of gross negligence however to foreseeable damages typical for the contract if there are no exceptions specified in clause 5 of this provision. Otherwise our liability is restricted because of inability to compensation and compensation of unsuccessful expenses to 10% in total of the value of the delivery/service. Further claims of the customer due to inability of delivery are excluded. This limitation shall not apply in cases of intent, gross negligence or concerning injury to life, body or health. This shall not affect the right of the customer to withdraw from the contract. Liquidated compensation We can request liquidated compensation in the amount of 10% of the gross value of the goods or of the damage caused that is actually replaced by the customer according to our choice for damages occurring on our part in connection with the fulfilment of the contract, if the customer cannot prove that damage or deterioration has not occurred at all or is significantly lower than the flat rate.

If we provide technical information or are active in an advisory capacity and this information or advice does not form part of the contractually agreed scope of services due from us, this is provided free of charge and with no liability attached.

§ 9 Reservation of proprietary rights

1. We shall reserve ownership of the goods until receipt of full payment of the purchase price. For cheque or draft payment the retention of ownership shall exist until complete encashment of the draft or cheque.

2. The purchaser is however entitled to sell the goods in proper business dealings to third parties. Claims of the customer arising from this shall be assigned to us with all ancillary rights and securities. We fully accept this transfer.

3. The customer may process goods for which we have retained ownership in the scope of proper business dealings unless it is in default of payment or payment cease. Acquisition of property of the customer as per § 950 BGB (German Civil Code) in cases of treatment or processing of our goods which are subject to retention of ownership shall take place exclusively for us, i.e. it is already agreed that the ownership of new items originated from us through processing. If goods of other subcontractors are processed, for which the legal consequences of § 950 BGB are equally excluded, we shall gain at least common property to the new item up to the amount which corresponds proportionately to the value of the other processed items which the subcontractor brought into account.

4. Before payment of amounts invoiced has taken place the customer may neither pledge the goods delivered to it nor transfer as a precaution.

§ 10 Protective rights

1. Should we deliver according to drawings, models, matrices, templates, patterns or under use of parts provided or tools or other manufacturing instruments of the customer, the latter undertakes to ensure that protection rights are not breached by third parties. The customer must release us at the first request of claims of third parties and pay compensation of the resulting damage.

2. Manufacturing instruments relinquished by us as per Item 1 which have not led to an order shall be returned at written request to the customer after cost transfer; otherwise we are entitled to destroy three

months after release of the offer at the cost of the customer.

§ 11 Other

1. All contractual agreements shall be in writing. This also applies to the agreement of deviation from this written form clause. Verbal side agreements shall not exist.

2. Should one or more of the above regulations be invalid, what the parties had agreed reasonably in their place shall apply. If this is not determined the statutory regulation shall apply.

§ 12 Place of jurisdiction and performance

1. The place of performance for our deliveries and payments is our company headquarters. The place of jurisdiction for all disputes connected with the performance of the contract, including those of warranty or damages is Dresden.

2. The law of the Federal Republic of Germany shall apply for all contractual relationships including those with foreign partners.