

GENERAL TERMS AND CONDITIONS

I. General

The following terms and conditions shall be definitive for all deliveries and services. Any deviating terms and conditions on the part of the customer and not expressly recognised by us shall not be binding on us even if not formally challenged. Verbal side agreements of any kind whatsoever shall be invalid. The Contractor expressly reserves all ownership rights and exploitation rights falling under copyright to cost estimates; drawings and other documentation. These may only be made available to third parties following prior permission on the part of the Contractor. All written offers shall be subject to a validity period of six months insofar as not otherwise agreed. In all other cases our written order confirmations shall be valid.

II. Pricing terms and payment

Prices shall be valid ex-works in Euros excluding the currently valid rate of Value Added Tax (VAT) and excluding packaging and delivery. Packaging shall be disposable and will not be taken back by the Contractor. The prices stated on the order confirmation and/or the invoice shall always be valid. Payment shall be made within 10 days of the invoice date less a discount of 2% and at the latest 30 days after the invoice date without any discount. Interest at the rate of 6% above the current bank rate shall be charged as default interest on payments not made within the stated payment period. The customer may only offset such interest against claims which are uncontested or legally binding. Our claims relating to delayed payment; payment difficulties or the institution of bankruptcy or insolvency proceedings shall be payable immediately.

III. Retention of title

The goods delivered shall remain the property of the Contractor until fulfilment of all claims which he shall have against the buyer and arising from the business relationship. Any pledging of the goods or transfer of ownership of securities prior to this shall be prohibited. Resellers shall only be permitted to resell the goods in the normal course of business under the condition that the reseller receives payment from his customer. Any costs for intervention shall be borne by the buyer. Insofar as the value of all rights to securities to which the Contractor shall be entitled shall exceed the sum of all secured claims by more than 25 percent then the Contractor shall release a corresponding proportion of the rights to securities at the request of the buyer. Should the goods delivered be combined or intermingled with other goods in the course of further processing then PTD shall acquire (co-) ownership of the ensuing item proportional to the value of the goods subject to retention of title and up to the value of the ensuing item. The purchaser shall be entitled to sell goods delivered by PTD and/or the manufactured products ensuing from them in the ordinary course of business. The purchaser shall assign claims against third parties resulting from such resale and to the sum of PTD's invoice amounts to PTD in advance without any particular agreement being required for individual cases. PTD herewith accepts such assignments. The purchaser shall, until further notice, be empowered to collect such debts; he shall not, however, be authorised to dispose of the claims in any other manner – e.g. by assignment. PTD shall be entitled to collect debts itself. It shall not make use of this right insofar as the purchaser meets his payment obligations as contractually specified. At the request of PTD the purchaser shall notify his buyers concerning any assignment. Furthermore at the request of PTD he shall be obliged to state the names of the buyers and the sum of the claims assigned and to provide PTD with all information required to assert the claims assigned.

IV. Delivery and delivery times

The delivery times stated shall be adhered to where possible; shall, however not be binding. In the case of delayed delivery the customer shall not have any claim to price reductions or replacement deliveries. The period for delivery shall not commence until the final order confirmation has been received. In the event of force majeure; strikes; late deliveries by our own suppliers and production disruptions of any kind as well as the loss or failure of machinery intended to be used for manufacturing PTD shall be released from its obligation to deliver and shall be entitled to cancel all or part of the contract. In the event the customer shall request delay of a delivery he shall be obliged to bear warehousing costs, commencing in the month subsequent to notification of readiness for dispatch; in the case of warehousing on our premises the cost shall be at least 0.5 percent of the invoice sum per month. Cancellation (including partial cancellation) of orders shall be subject to our express written agreement. We reserve the right to assert claims for any ensuing damages and for at the least a minimum of 30% of the order value.

V. Transfer of risk and acceptance

Risk shall be transferred to the customer when the shipment leaves our premises. This shall also apply if carriage free delivery has been agreed as well as in the case of delays for which we are not responsible at the time of readiness for dispatch. The Contractor shall insure the shipments at the request of the purchaser, who shall bear the costs. The customer shall be obliged to accept the goods delivered. Partial deliveries shall also be permissible.

VI. Returns

Returns shall only be accepted if accompanying documentation containing all information required for identification is included. In the event the taking back or replacement of goods and equipment should be agreed for reasons for which we are not liable, then we shall charge for the costs incurred for refurbishment. The return or replacement of tailor-made products; modified equipment and specially commissioned components shall be excluded. The returning party shall be liable for the freight costs.

VII. Liability for defects

a) for goods and equipment

A guarantee of 6 months from start-up of equipment and for a maximum of 12 months following delivery shall be provided. This guarantee shall cover faulty materials (excluding parts subject to wear and tear) whose failure can be attributed to manufacturing or material defects. The guarantee shall not cover equipment which becomes prematurely unusable due to improper usage, overloading or incorrect connection. The warranty shall only be upheld for customers. Defects which are immediately apparent must be notified within 14 days of receipt of the goods. Warranty claims shall be limited to a right to remedy of the defect; delivery of a replacement or a reduction in price, as we choose. In the event the Contractor allows an adequate deadline which he has been set to elapse without rectifying the defect or if a remedy shall be impossible or shall be refused by the Contractor, then the buyer shall be entitled to demand an appropriate reduction in the purchase price. Defective equipment or components shall be delivered free of cost and shall be returned at no cost to us. The aforementioned guarantee provisions shall replace any other obligation or liability on our part. The guarantee claim shall lapse if the customer or a third party commissioned by him shall carry out unauthorised alterations of any kind or repairs to the goods. The guarantee shall only cover the equipment itself. Claims for consequential damages shall be excluded.

b) for services

Liability for materials belonging to the customer and in our possession shall be excluded to the extent legally permitted. In particular in the case of storage and processing we shall only be liable for gross negligence or intent. In the event property insurance should come into consideration for compensation then the settlement of any claim we might have shall take precedence over the customer's damages. Liability for materials supplied or for consequential costs shall be limited to a maximum sum equivalent to the value of the order. Despite conscientious work it is technically impossible to totally avoid wastage. The relevant benchmarks vary widely from component to component and may be specified on awarding of an order. Replacement of materials within the scope of the benchmarks specified shall be excluded. It shall be standard practice that testing of material characteristics specified by the customer shall not be effected unless at the wish of the customer, who shall bear the costs. Any machining sequences; materials to be used; etc. suggested by us shall not absolve the customer from testing their applicability for his requirements himself. Insofar as not expressly otherwise agreed we shall work in accordance with the permissible dimensional tolerances as specified in DIN 7168 "Means" or the technically specified tolerances for the relevant process.

VIII. Jurisdiction

Jurisdiction and the place of fulfilment shall be our registered offices. The laws of the Federal Republic of Germany shall apply.