

General Terms and Conditions of Sale and Delivery of hightech ceram[®] Dr. Steinmann + Partner GmbH

1) General

The following Terms and Conditions of Sale and Delivery (hereinafter called "Conditions") of the Seller shall apply to all deliveries exclusively. Buyer's terms and conditions proposed in Buyer's purchase order shall not be binding. Unless Buyer fails to object immediately after receipt of the Conditions, the terms and conditions hereof shall be considered as accepted by Buyer. At the latest on acceptance of the goods these Conditions shall be deemed as accepted. Unless these Conditions include a corresponding provision, the German Law of Obligations shall apply subsidiary. To be valid, any deviations from these Conditions shall require Seller's written acceptance.

Buyer undertakes to store, treat or process the products in accordance with Seller's specifications. Seller shall not assume responsibility for the condition of the product after it has been further processed by Buyer or third persons, unless Seller has assured responsibility expressly in writing.

Buyer undertakes not to install Seller's products into products intended for aerospace industry or where Buyer is aware or has to assume that they will be used in aerospace industry, nor to sell to persons who can be expected to use the products in aerospace industry or resell them to such persons. The use of the products in aerospace industry shall be subject to express prior consent in writing.

2) Quotation

The validity of Seller's quotations with regard to price, quantity, delivery time and delivery conditions shall be 3 months, unless otherwise offered in writing. Drawings and samples submitted together with quotations are and shall remain Seller's property. Giving third parties access to them is subject to Seller's consent.

3) Prices

Unless otherwise quoted in writing, prices shall apply ex Supplier's works (as per Incoterms 2000), packaging cost, taxes, customs duties and charges excluded. Prices set in other currencies than Euro are based on the official foreign exchange buying rate valid in Frankfurt on the day the order confirmation is sent. Prices are based on material and energy cost and agreed wages applicable on the day of the dispatch of the quotation. In case wages, energy prices or material prices change in the period between presentation of the quotation and contractual fulfilment, Seller shall reserve the right to adapt the prices in accordance with generally accepted calculation methods.

4) Delivery time

The agreed delivery time shall begin on the day of clarification of the order and drawings, but not before the date of the written order confirmation. In case of a sale based on a call-off order covering a certain period of time with no fixed quantities for each call-off, quantity and delivery time have to be agreed upon for each individual call-off. Delivery times shall determine the date of delivery ex works; they can only be specified approximately, and especially in the case of sintered products they depend on successful firing of the Goods.

5) Order

Orders shall be considered accepted as soon as Seller has submitted the written order confirmation, or in case of immediate delivery and invoicing. Oral or telephone agreements as well as amendments of orders already placed shall only be valid subject to Seller's written confirmation. Costs incurred in case of cancellation and additional cost due to amendments shall be borne by Buyer. For the quantity specified in the order confirmation a tolerance of +/-10% shall be permissible, owing to ceramic production methods. Furthermore, part deliveries shall be permissible.

6) Delivery and shipment

Unless otherwise provided in these Conditions, the Goods ex supplier's works (as per Incoterms 2000) shall be sold and shipped from the supplier's works or place or country specified in the quotation. Delivery shall be considered fulfilled as soon as the Goods have been handed over to the forwarder or forwarding company. Unless otherwise provided, shipment shall always be for account and at the risk of Buyer. Calculation of shipment expenses shall be based on the weights determined by Seller.

Transportation risks shall only be insured on Buyer's express request and shall be invoiced by Seller. Shipments arriving in defective condition shall be returned by Buyer to the forwarding company for determination of the damage before acceptance.

7) Terms of Payment

Unless otherwise quoted and specified in the order confirmation, invoices shall be payable without deduction within 30 days net. If Buyer fails to make payment on time, legal delay interest may be charged. Buyer shall bear the bank transfer charges, especially for foreign bank transfers. If Buyer fails to comply with the fixed payment terms or becomes insolvent, any credit balances the Seller may have with Buyer, regardless of the agreed payment terms, shall become due and can be called in by Seller with immediate effect. If Buyer fails to comply with his payment obligations despite reminders or makes use of the Goods in an inappropriate way, Seller may – subject to further claims – stop any further delivery to Buyer. Generally, delivery is subject to retention of title, i.e. the delivered goods shall exclusively remain Seller's property until complete payment. Checks and bills of exchange shall not be accepted unless specifically agreed upon. Buyer is not entitled to retain or offset payments; this also applies in case of claims.

8) Industrial Property Rights

It shall be the sole responsibility of Buyer to make sure that the ordered goods - except standard types of the Seller – do not infringe the proprietary rights of third parties. In this respect, Buyer shall not only be liable to the plaintiff, but also to Seller, for any possible damage claims. Drawings and documents of Seller shall exclusively be used for the preparation of the quotation and the order and not be made accessible to third persons, i.e. persons not involved in this activity.

9) Property Right

The delivered goods remain property of the Seller until complete payment of the purchase price has been made, in case of payment by check or bill of exchange until payment of the latter; in case of delayed payment, Seller may take the goods back. At any time, Seller is entitled to have the reservation of proprietary right registered in the corresponding register.

10) Warranty and Liability

In case of justified claims or notices of defects Seller's liability shall be limited to free-of-charge replacement of the claimed or defective goods. Beyond that, Buyer's claims shall not extend for instance to cancellation of sale, reduction of purchase price, compensation in damages because of lost profits, indirect, direct or consequential damage. This limitation of liability shall not apply to damage arising from intent or gross negligence. Further, this limitation of liability shall not apply to any damage resulting from a defect concealed with intent to deceive.

Buyer shall examine the delivery immediately and notify Seller in writing of any claims concerning quantity, execution and obvious defects of the delivery, within 7 days after receipt of the shipment. If concealed defects do not show until later on, notice shall be given after finding the defects within the same deadline, but at the latest before expiration of the warranty period. If Seller does not receive any notice of defects, the Goods/work shall be considered executed in compliance with the contract.

In the production of ceramic articles, deviations of the shapes and dimensions cannot always be avoided.

Deviations shall not be considered defects, as long as they remain within accepted tolerance values or comply with special arrangements between Buyer and Seller. For all products used in wear protection technology, a tolerance in accordance with DIN 40680 medium shall apply, unless explicitly specified.

Buyer shall not take for granted any assurance of properties of the Goods specified as general data in catalogues or other documents, which exceed legal warranty, and consequently shall not claim Seller's liability. This shall apply accordingly to general statements made by the Seller's staff, unless a certain property for an application in an individual case is expressly warranted or a guarantee is given.

Buyer undertakes not to make any promises towards third parties with regard to the products supplied under these Conditions exceeding the warranties given by the supplier, and to limit warranties and liability towards third parties at least in the same scope as Seller's warranties and liability are limited in these Conditions.

The Seller's obligation for warranty shall be effective for 1 year from the passing of risk of the delivered products. Unless Buyer has specified application and requirements for use, Seller shall not guarantee the suitability for use. The same shall apply to goods provided by Seller's sub-suppliers. For products subject to corrosion or wear or mechanical and thermal loads, no warranty shall be given for durability or period of application, unless previously guaranteed by Seller in writing.

Buyer undertakes to inform Seller without delay of any personal injuries or property damage and of any examinations, claims, investigations or action in connection with the products supplied under these Conditions. In such cases, Buyer undertakes to fully cooperate with Seller and to provide him with any possible information. This shall on no account give reason for the assumption of any liability on the part of the Seller. Seller's liability shall remain unaffected.

Seller's liability from or in connection with the contractual relationship of the parties shall in no case exceed the agreed purchasing price of the products. The parties agree that these Conditions and a possible sales contract shall distribute the risk between the parties and that the agreed purchasing price shall reflect this risk distribution. Without this distribution of risk and limitation of liability Seller would not have entered the contractual relationship with the Buyer.

11) Tools, models etc.

Tools, models and other equipment shall remain Seller's property, also if Buyer has borne the costs thereof completely or partially.

Seller, however, undertakes not to use these tools for other customers without prior consent of the beneficiary. Further, Seller shall provide maintenance and the required care for the tools, so that they are available for any follow-up orders of the Buyer. The Seller shall have the right of free disposal of any tools that have not been used for more than 5 years.

12) Deliveries to the U.S.A.

For products Seller delivers directly or indirectly to the United States of America or their territories ("USA") or temporarily stores, processes or uses in the USA, the following terms shall apply:

- a) Except for the warranties expressly set forth in this agreement, the Seller makes no warranties, either express or implied, with respect to the products. Any and all warranties including without limitation, warranties of merchantability or fitness for a particular purpose, are expressly excluded and declined.
- b) In no case shall the Seller be liable to any person for incidental or consequential damages (including but not limited to loss of profits or goodwill, or additional expenses incurred), whether pursuant to a claim in contract, tort or otherwise and whether in an action for breach of warranty or otherwise.
In case of damage where a judgment was pronounced in the USA or the law of the USA or of one of its states was applied, Seller shall only be liable to the amount of the damage granted by German law.
Buyer undertakes to indemnify Seller and his organs, agents and persons close to him for all claims and any damage (including punitive damages) arising to these persons directly or indirectly from the distribution of the products in the USA or the temporary storage, processing or use of the products in the USA, irrespective of legal basis, kind or nature of the damage or the impairment or the person claiming.

13) Insurance Coverage

Buyer undertakes to contract a product liability insurance at an appropriate amount for the products made by the Seller, which are fully or partly made of products supplied by the Seller.

Insurance coverage shall include the USA, unless it can be excluded that the product of the Buyer is sent to the USA.

14) Place of Fulfilment and Jurisdiction

Place of fulfilment and jurisdiction for all rights and obligations arising under the contractual relationship of the parties shall be Düren/Germany.

15) Law Governing

The contractual relationship of the parties shall be governed by German Law under exclusion of the UN Convention on Contracts for the International Sale of Goods.

16) Miscellaneous

In cases of Force Majeur, regardless whether they occur at the Seller's works or at one of his sub-supplier's works, Seller shall be relieved from fulfilling his delivery obligations. Buyer shall not assert any claims towards Seller for these cases. Also, unforeseeable exceptional events, which cannot be avoided despite reasonable care exercised under these circumstances, shall relieve the Seller from his obligation to supply. After termination of such events these Conditions shall be put into full force again until each delivery has been performed. Cases of Force Majeur

include mobilization, war, sabotage, strikes, lockouts, revolution, official decrees, flood, storm, fire and other Acts of God as well as any other unforeseeable interruptions in the operation of the Seller's or one of his sub-supplier's plants.

These Conditions shall leave the parties independent, and the parties shall not enter any further commitment or business relationship exceeding these Conditions.

These Conditions shall apply to all sales from Seller to Buyer.

In case one of the terms of these Conditions becomes invalid, only the term concerned shall be replaced. The rest of the Conditions shall remain unaffected.