

# General Terms of Sale of ppg >

09.03.2015

## 1. Validity of the terms

1.1 Deliveries, services and quotations by the Seller are made solely on the basis of these Terms of Sale. The Terms shall also apply to all future business relationships even if they have not been expressly agreed. These Terms of Sale shall be deemed to have been accepted at the latest on acceptance of the goods or services. Purchaser's counter-confirmation making reference to his own terms of business or purchase is herewith refused. Terms of the Purchaser diverging from these Terms shall only become an integral part of the contract if they are expressly accepted in writing by the Seller.

1.2 All agreements negotiated between the Seller and the Purchaser in order to fulfil this contract must be documented in writing.

## 2. Quotations and conclusion of contract

2.1 Quotations made by the Seller are subject to confirmation and on the condition that the Seller himself shall receive the relevant goods. Declarations of acceptance and all orders must be confirmed by the Seller in writing or by telex/telefax to have legal validity. This shall also apply to all agreements and orders made to persons and sales organisations working on behalf of the Seller.

2.2 Drawings, sketches, dimensions, weights or other performance data shall only be binding if there is a corresponding written agreement.

2.3 The Seller's employees are not empowered to make verbal side agreements or to give verbal assurances overriding the content of the written contract.

## 3. Prices

3.1 Insofar as nothing else shall be agreed the Seller shall consider the prices stated in his quotations as binding for the period of 30 days from the date of the quotation. In all other cases precedence shall be given to the prices stated in the Seller's order confirmation. These prices shall be subject to the current legal rate of VAT. Additional deliveries and services shall be invoiced separately. Insofar as the order confirmation does not state anything else the Seller's prices shall be valid ex-supply warehouse. The Purchaser shall bear the freight costs insofar as no other terms have been agreed.

3.2 The Seller reserves the right to alter his prices to an acceptable degree should increases or decreases in cost take place following signing of the contract. This shall apply in particular to tariff agreements; increases in prices for materials; increases in freight charges, insurance premiums or the increase of existing government duties. Such changes shall be documented by the Seller on the Purchaser's request.

3.3 Should the Seller's period of execution between signing of the contract and delivery be longer than 4 months the Seller shall be entitled to increase the agreed price by an appropriate amount without being required to give reasons.

## 4. Delivery period, delivery, shipping

4.1 The delivery period shall commence on clarification of the contract and receipt of all documentation required to execute the order. It shall only be deemed to be binding if the Seller has expressly stated this in writing. The Seller's fulfilment of his delivery obligations presupposes the Purchaser's timely and correct fulfilment of his own obligations.

4.2 The Seller shall not be held responsible for delays in delivery or performance of services caused by force majeure or due to events making delivery on the Seller's part significantly more difficult in the long term or impossible – this includes in particular strikes, lock outs, government directives, etc. – even if binding deadlines and dates have been agreed. Such delays shall entitle the Seller to postpone delivery and/or performance of services for the duration of the obstacle plus an acceptable start-up time or to withdraw partially or fully from the contract on the grounds of that part of it which shall not yet have been fulfilled.

4.3 Should the obstacle last for longer than three months the Purchaser shall be entitled to withdraw from the contract with regard to the part which has not yet been fulfilled, following granting of an acceptable additional deadline. The Purchaser shall not be entitled to assert claims for damages arising from an extension of the delivery time or from the freeing of the Seller from his obligation. The Seller may only state the above mentioned circumstances as grounds if he informs the Purchaser of them immediately.

4.4 Insofar as the Seller shall be responsible for failing to meet any binding deadlines and dates agreed or shall be late in meeting them the Purchaser shall be entitled to claim damages for delays to the sum of 2% for each full week of delay; the maximum sum shall not, however, exceed 5% of the invoice sum for the deliveries or services affected by the delay. Any additional claims are excluded unless the delay should be caused at the least by gross negligence on the part of the Seller.

4.5 The Seller shall be entitled at any time to make part deliveries or to perform partial services unless a partial delivery or partial performance of services should not be of interest to the Purchaser.

4.6 Should the Purchaser delay acceptance of the goods the Seller shall be entitled to demand compensation for any damages he incurs; the risks of incidental deterioration and of incidental loss shall be transferred to the Purchaser from the moment the delay in acceptance occurs.

## 5. Transfer of risk

Risk for the service shall be transferred to the Purchaser as soon as the consignment is handed over to the individual carrying out shipment or it has left the Seller's warehouse for the purpose of shipment. Should shipment be delayed at the Purchaser's wish then the risk shall be transferred to him at the time of notification of readiness for shipment.

## 6. Purchaser's rights regarding defects

6.1 The goods shall be delivered free of manufacturing or material defects; the deadline for assertion of warranty claims shall be 1 year following delivery of the goods.

6.2 The Purchaser must inform the Seller in writing immediately of any defects and, at the latest, within one week of receipt of the goods delivered. Defects which could not have been discovered within this period even following careful inspection must be notified to the Seller in writing immediately following their discovery.

6.3 In the event of notification by the Purchaser that the products display a defect the Seller shall first rectify the fault by delivering replacements. Expenses incurred for the purpose of rectification shall be carried by the Seller.

6.4 Should rectification prove unsuccessful following an acceptable period the Purchaser shall have the choice of demanding a reduction in price or withdrawing from the contract. In the case of minor defects the customer shall, however, have no right to withdrawal.

6.5 Where goods are sold based on a sample customary commercial deviations shall not be grounds for entitlement to assert claims for defects.

6.6 The Purchaser cannot object to quantitative deviations which fall within customary commercial limits. Customary commercial limits shall be defined in all cases of over- or under-delivery as: 0 – 2 000 m<sup>2</sup> up to 25%, 2 001 – 20 000 m<sup>2</sup> up to 15%, 20 001 – 60 000 m<sup>2</sup> up to 10% and over 60 001 m<sup>2</sup> up to 5%.

6.7 Only the direct Purchaser shall be entitled to assert claims against the Seller for defects; such claims may not be assigned to others.

## 7. Retention of title

7.1 Until all current or future claims of the Seller against the Purchaser (including all accounts payable arising from existing current accounts) on whatever legal basis have been fulfilled the Seller shall be granted the following securities. The Seller shall receive these securities according to his choice and on demand insofar as their value shall exceed the claim by more than 20% in the long term.

7.2 The goods shall remain the property of the Seller. Any processing or alterations will always be on behalf of the Seller as manufacturer, however without any obligation on his part. Should the Seller's (partial) ownership expire due to combination then it is now already agreed that the Purchaser's (partial) ownership in terms of value (invoice value) of the single item shall be transferred to the Seller. The Purchaser shall preserve the (partial) property of the Seller free of charge. Goods to which the Seller has a (partial) ownership claim shall be termed as "conditional goods" in the following.

7.3 The Purchaser shall be entitled to process and sell the conditional goods in the course of orderly business dealings insofar as he is not in arrears with payments. Pledging or transfer of title as a security are not permitted. The Purchaser now already transfers any claims resulting from selling on or on any other legal basis (insurance, impermissible action) as regards the conditional goods (including all accounts payable arising from current accounts) to the Seller in their full scope as a security. The Seller conditionally empowers the Purchaser to collect any of the claims transferred to the Seller on the Seller's account and in the Purchaser's own name. This power of collection may only be revoked if the Purchaser does not satisfactorily fulfil his payment obligations.

7.4 In the event of third party access to the conditional goods, in particular pledging, the Purchaser will make the Seller's ownership known and will immediately inform the Seller accordingly so that the Seller may assert his ownership rights. In the event that a third party is not in a position to reimburse the Seller for any legal or non-legal costs ensuing in this regard then the Purchaser shall be liable.

7.5 In the event of actions by the Purchaser which breach the contract – in particular payment arrears – the Seller shall be entitled to withdraw from the contract and to demand return of the conditional goods.

## 8. Payments

8.1 Insofar as no other terms are agreed the Seller's invoices shall be payable net 30 days after issue of invoice. A discount of 2% shall be granted for payment within 14 days.

8.2 Irrespective of any contradictory terms of the Purchaser the Seller shall be entitled to initially set off any payments against existing debts and will inform the Purchaser regarding the manner of this setting off. Should costs and interest already have ensued then the Seller shall be entitled to first set off a payment against the costs, then against the interest and, finally, to set it off against the primary service provided.

8.3 Payment shall only be deemed to have been made when the Seller has the sum at his disposal. In this regard bills will not be accepted as a matter of principal. Cheques will only be accepted as conditional payment.

8.4 Should the Purchaser be in arrears then the Seller shall be entitled to demand interest from the relevant moment of time at the rate of 8 percentage points above the base interest rate as all-in damages. This rate shall be lower if the Purchaser proves damages are lower; proof of higher damages on the part of the Seller shall be permitted.

8.5 Should the Seller gain information calling into question the Purchaser's creditworthiness, in particular if a cheque is not honoured or he ceases to make payments, or if the Seller should gain other information calling into question the Purchaser's creditworthiness then the Seller shall be entitled to demand payment of the entire remaining sum, even if he has previously accepted cheques. In this event the Seller shall also be entitled to demand payment in advance or securities.

8.6 The Purchaser shall only be entitled to setting-off, withholding or reduction, also with regard to defects which have been notified or to counterclaims which have been asserted, if the counterclaims have been confirmed by a court of law or are uncontested. The Purchaser shall, however, be entitled to withhold payment on the grounds of counterclaims ensuing from the same contractual relationship.

8.7 In the case of export any costs related to receipt of payment shall be on the Purchaser's account, insofar as they arise in his country.

## 9. Proprietary rights

9.1 Production of preliminary designs, paper board mats, printing plates, lithography, tools, impression cylinders, etc. for the Purchaser shall be charged to the Purchaser even if, after production, they should not have been used in the course of an order. They shall, however, remain the property of the Seller and their delivery to the Purchaser or a third party shall only be permissible following complete payment of all costs incurred.

9.2 The Seller shall release the Purchaser and his customers from any claims arising from infringement of proprietary rights, brands or patents, unless the Purchaser provided the preliminary design for the delivery item. The Seller's indemnity obligation regarding the sum involved shall be limited to foreseeable damages.

9.3 Proofs must be inspected by the Purchaser for type and other errors and must be returned to the Seller with a declaration that they are ready for printing. The Seller shall not be liable for any errors overlooked by the Purchaser; alterations made by telephone, telex or telefax must be confirmed in writing.

## 10. Liability

10.1 Claims for damages are excluded, irrespective of the nature of the breach of duty and including illicit acts, insofar as willful or grossly negligent acts have not been committed.

10.2 In the event of breach of material contractual obligations the Seller shall be liable for all negligence, however only to the extent of the foreseeable damages. Claims for loss of profit; saved expenditure; resulting from damage claims by third parties; and for any other indirect or consequential damages shall not be permitted, unless a characteristic of state guaranteed by the Seller is expressly intended to protect the Purchaser against such damages.

10.3 The limitations of liability and exclusions in Sections 10.1 and 10.2 do not apply to claims resulting from malicious acts on the part of the Seller or to liability for guaranteed characteristics of state; for claims resulting from product liability law; or to damages ensuing from physical or personal injuries or to health.

10.4 Insofar as the Seller's liability shall be excluded or limited, this shall also apply to employees, workers, representatives and persons working on behalf of the Seller.

## 11. Final provisions

11.1 The law of the Federal Republic of Germany shall apply to these Terms of Sale as well as to the entire legal relationship between Seller and Purchaser. The provisions of UN sales law shall not be applicable.

11.2 Insofar as the Purchaser is a commercial trader; a legal entity under public law or a special fund under public law then the exclusive place of jurisdiction – insofar as this is legally permissible – for all disputes arising either directly or indirectly from this contractual relationship shall be as follows:

ppg > holding GmbH Oldenburg  
 ppg > wegoflex GmbH Potsdam  
 ppg > flexofilm GmbH Oldenburg  
 ppg > notemeyer GmbH Potsdam

This agreement regarding the place of jurisdiction shall also apply to disputes concerning contract validity and the question of whether these Terms have become part of the contract. The Seller shall, however, be entitled to bring an action against the Purchaser before a court with jurisdiction for the latter's place of business.

11.3 The place of performance for the contractual elements regarding both delivery and payment shall be the Seller's place of business.

11.4 Should individual provisions of this contract be invalid or impractical for reasons other than those specified in Sections 307 ff. of the German Civil Code (BGB), then all other provisions shall remain unaffected. The invalid or impractical term shall be replaced by one which comes as close as possible to the intended economic purpose of the invalid or impractical term. This shall also apply with regard to the implementation of any loopholes in the contract.