

General Terms and Conditions of Sale and Delivery

1. Scope of Supplies and Services

Seller's written order confirmation shall be binding for the contract. Ancillary agreements and commitments by agents shall require the written confirmation of Seller. Illustrations of our articles in catalogues are without obligation. Seller reserves the right to make expedient changes to design and material. All offers are without obligation and lose their validity three (3) months after the date of issue, unless otherwise agreed in writing.

2. Prices

All prices are valid ex works, exclusive of packaging, unless otherwise expressly agreed. All goods are shipped carriage unpaid. The prices in the latest price list shall be binding for all orders.

3. Passage of Risk

The risk passes to Buyer when the goods leave the delivery warehouse or are made available to Buyer in some other way.

4. Terms of Delivery

All quoted delivery times are without obligation. In the absence of mandatory legal provisions to the contrary, delays in delivery shall not entitle Buyer to withdraw from the contract or to return the goods. Claims for damages due to delay on the part of Seller shall be limited in value to the value of the subject of delivery. This shall not apply to intentional or grossly negligent delays in delivery. In the absence of express agreements to the contrary, Seller shall be entitled to make partial deliveries. In the absence of mandatory legal grounds for withdrawal, firmly placed orders may only be cancelled with the agreement of the Seller. In all cases Seller reserves the right to claim compensation for the costs incurred. For custom-made products, Seller reserves the right to increase or decrease the production run by up to 10%. The return of custom-made products or the withdrawal from an order for custom-made products shall not be permitted. All illustrations of Seller's articles are without obligation; Seller reserves the right to make expedient changes to design and material.

5. Liability for Defects

Seller shall be liable in accordance with the statutory provisions only for defects during production, insofar as Buyer sends the defective articles to Seller without delay together with a brief description of the process taking place when the defects occurred. No claims for direct or indirect damages will be accepted for defects occurring outside production. Products not belonging to our standard range will be manufactured on Buyer's behalf and according to the sketches, specifications or samples provided by Buyer. PAJUNK GmbH has not examined these as to their functionality and assumes that this has been carried out by Buyer. Where necessary, Buyer shall also provide adequate operating instructions. We shall only be liable for proper manufacturing in accordance with Buyer's specifications.

6. Retention of Title

Seller reserves the title to the goods supplied until complete payment of the purchase

price, including all ancillary costs, e.g. for packaging, freight, transport, etc., and the price for the accessories and spare parts, and any interest on default. Before final payment, the goods supplied shall be neither pledged nor assigned by way of security without the approval of Seller. Buyer shall inform Seller of any pledge of the goods not yet paid for without delay, submitting a copy of the seizure protocol. Costs for the intervention shall be for the account of Buyer.

If Seller's account receivable is included in a current invoice (current account), Seller's retention of title shall continue to apply to all goods supplied under the business relationship until final settlement of the current account. Regardless of any other instructions from Buyer, payments shall always be used to settle the oldest accounts payable. Goods delivered in exchange are offset immediately on receipt without separate notification. If Buyer is in default with payment, Seller shall be entitled to take back the goods supplied without detriment to the continuation of the contract. If, in exceptional cases, Buyer is entitled to resell certain goods as reseller, then in the event of resale Buyer's purchase price claim against the third-party debtor shall be deemed to have been assigned to Seller until settlement of Seller's purchase price claim. In this case Buyer shall be obliged to notify Seller of the resale, without the requirement for a separate request, indicating the date of resale, invoice date and the address of Buyer's customer. Seller may assert the assigned claims against the third-party debtor at any time. Collection costs shall be for the account of Buyer.

7. Terms of Payment

Invoices and COD shipments are payable within 10 days of the invoice date with 2% discount, or net within 30 days of the invoice date. Buyer shall not be entitled to claim discount as long as older due invoices have not been settled. No discount will be granted on payments by bill of exchange.

If payment is not received in good time, then notwithstanding the right to assert further due claims, Seller shall be entitled to claim compensation for default at the normal loan interest and commission rate demanded by the banks for the period between due date for payment and actual payment.

In the absence of a prior agreement, Seller reserves the right to decide on a case-by-case basis whether to accept bills of exchange, cheques and other remittance orders in lieu of payment. Unless otherwise provided for in the order confirmation, the costs for discounting and collection shall be for the account of Buyer. All such forms of payments shall only be accepted on account of payment. The withholding of payments and the offsetting of any counter-claims by Buyer, with the exception of undisputed claims or claims which have been declared res judicata, shall not be permitted.

8. Place of Performance, Venue, Binding Nature of the Contracts

Place of performance and venue for any and all liabilities and claims arising out of this contract shall be Geisingen. The contractual relationship shall be subject exclusively to German law.

Legal invalidity of certain parts of the contract shall not release Buyer from the contract as a whole. The rights of Buyer under the contract are not transferable. With the placement of the order, Buyer acknowledges these General Terms and Conditions of Sale and Delivery.

Purchasing Conditions

1. General

Our purchase orders and contracts are subject exclusively to the following purchasing conditions. Amendments and supplements to the following purchasing conditions and deviating conditions of sale of the Seller shall only be deemed to have been accepted when confirmed in writing by us as an annex to our purchasing conditions. Only written and signed contracts or purchase orders are valid. Verbal agreements shall only be binding on us when confirmed in writing.

2. Order Confirmation

We reserve the right to withdraw from contracts and purchase orders if the attached order confirmation with legally binding signature is not returned to us within 14 days.

3. Quality Assurance

Our quality assurance regulations, manufacturing specifications and material specifications form an integral part of our purchase contracts.

4. Delivery

Deviations from our contracts and purchase orders are only permitted with our prior written approval. Delivery shall be made on the dates stipulated by us or our subsidiaries in the purchase orders, individual call-off orders or delivery plans.

If the agreed delivery dates are not kept for reasons attributable to Seller, we shall be entitled – at our discretion and notwithstanding further statutory claims – to withdraw from the contract, to obtain replacements from a third party and/or to claim damages due to non-fulfilment. Seller shall be obliged to compensate us for all additional costs incurred by us as a result of delays in deliveries or supplies. The acceptance of delayed deliveries or services does not constitute a waiver of claims for damages.

In the event of repeated delays in delivery or service, we shall be entitled to withdraw from the contract even if the delay was not attributable to Seller. If Seller foresees any difficulties in production or material procurement or if circumstances occur beyond the control of Seller which could hinder him in the punctual delivery in the prescribed quality, our ordering Purchasing department must be notified accordingly without delay. The values determined by us during our incoming goods inspection shall be binding for quantities, weights and dimensions.

5. Acceptance

Labour disputes, operational disruptions, unforeseen and unavoidable changeovers in production and other circumstances resulting in a reduction in our requirements, as well as cases of force majeure, shall release us from our obligation to take delivery.

6. Notification of Dispatch and Invoice

The specifications in our purchase orders, individual call-off orders or delivery plans and those of our subsidiaries shall be binding. The invoice shall be sent in one original copy to the address printed on the purchase order; it must not be included with the shipment.

7. Prices and Passage of Risk

In the absence of any special agreement, the prices shall be understood free our works or the works of our subsidiaries, including packaging. The statutory provisions shall apply to the passage of risk. All payments will be made exclusively to the Seller. Assignments of payments to third parties are not permitted.

8. Terms of Payment

In the absence of any special agreement, invoices will be paid either within 14 days with 3% discount, within 30 days with 2% discount or within 60 days without discount. The period shall start from the time both the invoice and the goods have been received by us or the services have been provided. Payment is made subject to invoice verification.

9. Warranty

Goods are accepted subject to inspection for correctness and suitability. We shall not be bound by any deadlines in respect of notification of defects. For defects in the goods or services, irrespective of whether they are discovered immediately or later, the Seller or manufacturer shall be liable for the duration of the warranty period in that notwithstanding our further statutory legal remedies, we shall be entitled to claim free replacement, free fault remedy of the defect or an appropriate price reduction at our discretion.

If defective goods are repeatedly delivered, we shall be entitled to withdraw from the contract, in the case of successive delivery contracts to immediately terminate the contract. If an incoming goods inspection going beyond the level of a normal inspection is necessary due to faulty delivery, Seller shall bear the costs involved. In urgent cases we shall be entitled to remedy the defects ourselves at the expense of Seller.

10. Performance of Work

Persons carrying out work on the company premises in fulfilment of the contract must abide by the provisions of the respective plant rules; the regulations for entering and exiting the plant facilities must be observed. The liability for accidents suffered by such persons on the company premises shall be excluded as far as intent or gross negligence cannot be proved.

11. Buyer-supplied Materials

Materials and parts supplied by us remain our property. They may only be used for the intended purpose. The processing and material and the assembly of parts is performed in our name. It is agreed that we become joint owners of the products manufactured using our materials and parts in the ratio of the value of our supplies to the value of the finished product which is thus stored by Seller for us.

12. Specimens, Drawings

Documents of all kinds which we provide to Seller, such as drawings, models, notices and all other order documents, and which are declared by us as being confidential shall be returned to us free of charge and without the need for a separate request as soon as they are no longer required for the purposes of the purchase order. They shall not be made accessible to third parties.

Products manufactured according to our documents, such as drawings, models, etc. or on the basis of our confidential information or using our tools or copied tools must neither be used by Seller nor offered or delivered to third parties. This shall apply analogously to our printing orders.

13. Place of Performance and Venue

Place of performance is the place to which the goods are to be delivered according to the purchase order. Venue shall be Tuttlingen, the registered offices of the respective Buyer or another statutory venue at our discretion.