



## General Terms and Conditions

PAW GmbH & Co. KG, Böcklerstr. 11, D- 31789 Hameln - Germany  
(RA\_UW/Vers. 5.3.08)

### 1. Scope

The following General Terms and Conditions (GTC) apply to all goods and services rendered by PAW GmbH & Co. KG (referred to as PAW in the following). Deviations from the GTC are only binding for PAW, if explicitly acknowledged by PAW in writing. For foreign business transactions the definitions of INCOTERMS prevailing at the time of conclusion of the contract apply in addition to the GTC.

### 2. Conclusion of Contract/Quotes and Acceptance

1. The Customer is bound to orders (quotes) for four weeks upon receipt by PAW. Orders become legally binding only upon written order confirmation by PAW. Agreements, verbal or by telephone, can only form part of the contract if confirmed in writing by PAW. The same applies to orders per Internet or email.

2. Cost estimates with drawings and other documentation given to the Customer by PAW prior to any contractual arrangement, remain the property of PAW until signing of the contract and – if a contract is not concluded – must be returned to PAW upon request. PAW retains all copyrights pertaining to the documentation. Duplication and passing thereof to Third Parties requires advance consent by PAW.

### 3. Prices and Terms of Payment

1. Prices quoted are net "ex works" including packaging and excluding VAT (sales tax), freight and transport insurance, customs, postage and other transport costs. Deliveries within the EU market (Intra-trade) are exempt from VAT (sales tax) only if the Customer quotes his valid VAT ID number when placing the order with PAW.

2. If delivery periods in excess of three months are agreed upon, PAW is entitled to subsequently increase the prices for material and/or labour which formed the basis of the original cost estimate by an appropriate amount, if the increase in costs was not foreseeable at the time the contract was concluded.

3. Payment is due within 30 days from the date of invoice without any deductions. Bills of exchange and cheques are precluded. Receipt of payment determines on time payment. In case of delayed payment PAW has the right to charge interest on arrears at eight percent above the prevailing base rate. In the case of several outstanding accounts, PAW is entitled to freely determine the set-off against individual invoices. The Customer is given an appropriate set-off statement.

4. If, following written order confirmation, PAW receives knowledge of a significant deterioration in the assets of the Customer or if other justified doubts as to the creditworthiness of the Customer arise, PAW is entitled to make deliveries only against appropriate securities or pre-payment.

5. If the customer is in default of payment, PAW can withhold further deliveries and services until all due receivables are balanced, unless the Customer pays in advance.

### 4. Delivery, Passing of Risk, Storage Costs

1. The transport of goods occurs at the risk of the Customer – even when the freight order was placed and paid for by PAW. Fixed delivery dates are only legally binding, if contractually agreed or confirmed by PAW. Relevant for on time delivery is the time the goods were consigned to the carrier or other company handling the transport/shipment.

2. If a delivery date is exceeded at the Customer's request or other reasons for which PAW is not responsible, the Customer bears the resulting storage costs, commencing 30 days after availability for dispatch. For storage on site a flat-rate of 0.5% of the net invoice value is payable per month, or 1/30th per calendar day respectively.

The Customer is entitled to prove, that PAW incurred considerably lower storage costs.

### 5. Reservation of Proprietary Rights

1. PAW retains the right to all supplied goods until complete payment of all invoices resulting from the business relation with the Customer. This also applies when the purchase price has been paid for certain goods specified by the Customer as the reserved property acts as security against the overall receivables balance due to PAW.

The processing of goods supplied by PAW - and which are still retained as property of PAW - is always on behalf of PAW, without any commitments resulting therefrom for PAW. If the goods so retained by PAW are mixed or incorporated with/into other goods, the Customer herewith assigns his proprietary or co-proprietary rights on the new article to PAW and will store said articles with due diligence. The Customer may sell goods to which PAW has the proprietary rights under normal business transactions, as long as the Customer is not in arrears with payment.

2. Protective conveyance, pledging or selling of stock "enbloc" by the Customer to Third Parties is not permissible, in as far as the proprietary rights of PAW are affected.

With conclusion of the purchase contract between the Customer and PAW the Customer assigns, as security, the full amount – not only the pro rata sum - of any claim due against a buyer resulting from a purchase or other legal reasons including all subsidiary rights. The Customer remains entitled to collect these claims as long as he is not in arrears to PAW. If the value of the supplied goods acting as security and supplied under reservation of proprietary rights exceeds the amounts due to PAW by more than 20%, then PAW is obliged to reassign its claim if so requested by the Customer.

3. If PAW takes back goods from the Customer – without incurring any legal commitment – this does not constitute a cancellation of the contract. In the case of such returns of goods PAW will issue the Customer with a credit note less compensatory handling charge of 20% of the net invoice value, with a minimum charge of €10.00. Freight costs for the return of goods to PAW are to be paid for by the Customer.

The Customer is entitled to prove, that PAW incurred significantly lower costs.

### 6. Warranty

1. The Customer is obliged to inspect goods delivered by PAW immediately upon receipt for visible transport damage and to also inform PAW immediately in writing of any defects/faults found during goods inwards inspection. If the complaints are justified, PAW is obliged to either rework or replace the faulty goods - according to choice by PAW. If reworking or replacement fail, the Customer may only claim redhibition, any reduction is precluded.

2. Minor changes in the construction, shape and design of the delivered goods are permissible and comply with the contract as long as they do not adversely affect the intended use, quality and functionality.

3. If the Customer supplies components for a product to be manufactured and supplied by PAW as part of a Customer order, then PAW is exempted from any liability for material defects, in as far as the goods supplied by PAW are faulty due to defects arising from the components supplied by the Customer. PAW is not obliged to test the components supplied by the Customer for defects or functionality prior to processing/assembly. The same applies to components supplied to PAW by Third Parties ordered by and paid for by the Customer.

4. Claims for damages against PAW, regardless of legal provisions, including infringements of pre- and collateral contracts relating to information, reference and due care as well as definite breaches of contract and tortious acts are excluded, in as far as damages are not due to malicious intent or gross negligence. This preceding exemption from liability does not apply if properties are lacking which PAW had explicitly guaranteed or confirmed in writing with the express purpose of protecting the Customer against said damages. Additional claims by the Customer against PAW, such as consequential damages, installation costs and lost profits, are excluded.

5. The liability of PAW for faulty products in accordance with the Law on Product Liability remains untouched by the preceding conditions.

If PAW is made liable for damages by a Third Party in accordance with the Law on Product Liability or other legal liability regulations or if PAW incurs damage for other reasons (i.e. a recall), then the Customer has to exempt PAW against Third Parties if the damage is due to a mistake or fault in the Customer's area of responsibility.

### 7. Set-off, Right of Retention, Assignment

The Customer only has the right of set-off against PAW if the counterclaim is



substantiated by correct invoices. The same applies to the right of retention with notification of the relevant reasons.

### **8. Place of Performance, Court of Jurisdiction**

Place of performance and court of jurisdiction for all disputes arising from the contractual arrangements between Customer and PAW is the domicile of PAW or – if PAW so chooses – the Customer's domicile. The contractual arrangements between PAW and Customer are subject to German Law (as priority), alternatively to EU-Law.

### **9. Severability Clause**

Should individual provisions of this GTC be or become void, the remaining provisions of the GTC will remain unaffected and valid. In place of the void provisions those legal regulations will apply, which economically come closest to the purpose of the void provision(s) in the GTC.

### **10. GTC Download/Printout**

A copy of the prevailing GTC is available from the Internet under [www.paw.eu](http://www.paw.eu) and can be downloaded free of charge.