

General Terms and Conditions of Paulson International Ltd. (Effective 01-10-2019)

I. General - Scope of application

1. The following terms and conditions only apply in the course of business with entrepreneurs within the meaning of article 14 BGB (German Civil Code), legal persons of public law and public law funds.
2. In the case of awarding public contracts of any kind (VOL A / B, etc.), our general terms and conditions of business shall not apply, even if in the individual case the offer or parts thereof are referred to.
3. Our deliveries and services are exclusively subject to the following general terms and conditions of sale. They shall be considered as having been recognised on issue of an order or at the latest by acceptance of the supply. They shall also apply to all future transactions between the contracting parties, without any special new reference.

They shall also apply if we do not expressly refer to them in subsequent contracts, in particular even if we deliver deliveries or services to the purchaser unconditionally in knowledge of the terms and conditions of the purchaser which are contrary to or deviate from our general sales conditions.
4. Purchasing terms and conditions of the purchaser, which we hereby expressly, generally and finally reject, shall not become part of the contract unless they are expressly accepted by us in writing. Upon completion of a divergent agreement, our delivery and performance shall be based on the following conditions.

II. Offers and conclusion of the agreement, performance

1. Our offers are not binding unless expressly stipulated to the contrary in individual case. The documents included in our offer and our brochures and catalogues are only indicative and industry-specific, as far as not expressly stated otherwise.
2. The acceptance of this offer is made at our option by sending an order confirmation or unconditionally providing the ordered deliveries or services. If the export of our goods requires an official authorization (for example, export authorization by the Federal Office of Economics and Export Control, BAFA), the contract is concluded subject to the granted permit.
3. Properties and durability data, technical data and descriptions in our product information, advertising materials or technical leaflets, as well as data provided by the manufacturer or his assistants within the meaning of article 434 para. 1 no. 3 BGB (German Civil Code) are not guarantees of quality or durability of the goods to be supplied by us, unless the details are agreed individually.
4. In the case of sales according to the sample, the sample merely describes the suitability of the sample, but does not constitute a guarantee for the quality, suitability or durability of the goods to be supplied by us.
5. We give application engineering advice to our products to the best of our knowledge. All information about suitability and application of our goods do not release the buyer from his own tests and trials, concerning the suitability of the products for the intended purpose.

III. Prices, terms of payment, default of payment

1. The prices agreed upon the conclusion of the respective contract or the prices set out in the order confirmation shall apply. If a price is not expressly stated, the prices valid at the time of conclusion of the contract are valid according to our price list. For the calculation of the prices, the weights and quantities determined by us upon delivery shall be decisive if the purchaser does not object immediately upon receipt of the goods. All prices are quoted net plus VAT at the time of the delivery. The costs of the delivery are calculated according to section V, if agreed or relevant.
2. Our invoices are due to be paid immediately upon receipt, unless a different payment deadline has been agreed.
3. We reserve the right to deliver in individual cases only after prepayment; in such cases, the purchaser shall receive a pro forma invoice together with our order confirmation for the purpose of the advance payment. The delivery of the goods takes place only after complete payment receipt.
4. Payments must be made directly to us. Our representatives, sales representatives, warehouse administrators and similar persons are only entitled to receive payments if they are authorized by us in writing to do so. Nevertheless, payments made to them shall only be deemed to be fulfilled after we have received the payment.
5. The purchaser may only set counterclaims off if these are undisputed or have been legally established, or if a pending legal dispute is not delayed by the set-off. The same applies to the assertion of the purchaser's right of retention which is not based on the same contractual relationship.
6. If the purchaser does not pay due invoices, exceeds an agreed payment period or the purchaser's assets deteriorates after the conclusion of the contract, or if circumstances become known to us which justify substantiated doubts regarding the ability to pay or creditworthiness of the customer we are entitled to demand the remaining debt of the purchaser and demand immediate payment of all our claims on the basis of the same legal relationship or to demand advance payment or security on delivery, subject to changes to the agreed terms. This is particularly the case, if the purchaser ceases payments, a check of the purchaser is not settled, a bill of exchange given by the purchaser is not paid by the purchaser, an insolvency proceeding concerning the assets of the purchaser was applied for or insolvency proceedings were not opened due to a lack of mass.
7. In case of a reasonable doubt about the solvency of the purchaser, in particular in the event of a delay in payment, we may, subject to further claims, revoke granted payment targets and make further deliveries subject to the granting of other collateral.
8. The non-payment of the purchase price at maturity constitutes a material breach of contractual obligations.
9. Should the purchaser fall into default with due payments, we shall be entitled to demand interest on arrears at the rate of 9% points above the respective basic interest rate of the European Central Bank and in the case of billing in another currency we shall be entitled to demand interest at the rate of 9% points above that respective interest rate of the country's highest banking institution, in whose currency the invoice was issued.

IV. Delivery periods, notice of delivery, delivery hindrances, purchaser`s obligations to cooperate, arrears, force majeure

1. The delivery periods or dates indicated by us in the offer and order confirmation are still subject to the disposition of the delivery as expected delivery dates and do not constitute binding contractual dates or even fixed dates in the case. Binding dates require our express confirmation.
2. If the export of our goods requires an official authorization (for example, export authorization by the Federal Office of Economics and Export Control, BAFA), our delivery period is not due before approval is granted.
3. Delay in performance occurs only after reminder. The purchaser can only withdraw from the contract after expiry of a reasonable period. Even after the expiration of the deadline, the purchaser is obliged to accept the goods, unless the written declaration of withdrawal has been sent to us prior to the dispatch of the shipping notification.
4. The binding delivery date/collection date is announced by phone or in text form (shipping notification). Compliance with this requirement requires the purchaser to meet his cooperation obligations in due time and to confirm the shipping notification with the information required for the disposition of the delivery directly on the telephone or immediately upon receipt of the text message.
5. We are entitled to partial deliveries and partial services if this is reasonable for the purchaser.
6. The fulfillment of our delivery and performance obligations requires the timely and proper fulfillment of the obligations of the purchaser, in particular that all commercial and technical questions between the contractual partners are clarified and all cooperation obligations of the purchaser are fulfilled.

The purchaser shall be obligated, in particular, to cooperate in public approval procedures (for example, export authorization by BAFA).

If the purchaser is obligated to cooperate or if the purchaser is in a position to cooperate significantly in the fulfillment of the contract, we shall request it formless during the production of the delivery item. The agreed delivery period shall be extended in accordance with section 7, unless we are responsible for the delay.

Even without a requirement, the agreed delivery period is extended if and as long as the purchaser has not fulfilled his contractual obligations, cooperation obligations and obligations agreed upon at the conclusion of the contract.

In particular, this applies if the purchaser culpably delays

- the delivery of plans or data, drawings (for the delivery item)
- the provision of material or accessories (e. g. special labels, cardboard boxes for the delivery item)
- the provision of the required official certificates or approvals, (e. g. the provision of the end user certificate).

In case of culpable violation of the cooperation obligations of the purchaser, we expressly reserve the right to claim damages.

7. If the production or delivery or our performance is temporarily prevented or delayed due to reasons the purchaser is responsible for, the delivery time (or service time) is extended according to the detectable duration of the obstacle. When calculating the extension of the deadline, an appropriate start-up period must be taken into account in order to restart the performance. Claims of the purchaser or claims instead of performance during the period of disability are excluded. By subsequent alteration or supplementary requests of the purchaser, the delivery time is extended accordingly in an appropriate manner.

If the production or delivery or our performance is delayed from these circumstances or at the

request of the purchaser, then additional costs incurred are immediately billed by us and shall be reimbursed by the customer.

If, on behalf of the purchaser, we have taken over the procurement of parts to be delivered, the delivery period shall be extended by the period necessary for the procurement, unless we are responsible for the delay in the delivery.

8. If we reserve the right to deliver only against payment in advance, the delivery of the goods will only take place after the complete payment has been received, including all incidental expenses, charges and additional costs.
9. Call-off orders shall be submitted by the purchaser at least 14 days before the desired date of delivery, unless otherwise agreed in writing. If the purchaser only partially takes delivery of the orders, we are entitled, without prejudice to our other claims, to impose a minor quantity surcharge.

If we, our legal representatives or our vicarious agents have acted with intent or gross negligence with regard to the delay, or have guaranteed a fixed date, or the purchaser has lost interest in the service verifiable due to the delay, we shall be liable in accordance with the statutory provisions. In the event delay is caused by culpable breach of an essential contractual obligation non-compliance of which places the purpose of the contract at risk, liability is restricted to foreseeable, typically occurring damages and a maximum of 5% of the purchase price of the delayed parts of the delivery. If timely partial deliveries are not reasonable for the purchaser, they shall be excluded from the calculation of the upper liability limit (maximum 5% of the total purchase price of the delivery). Moreover, liability is excluded. Damages resulting from loss of rent- or production, standstill costs, loss of profits, or contractual penalties promised third parties arising from the delayed delivery to the purchaser or its customers shall only be compensated if a binding delivery date was agreed and the purchaser had given notice that, in the event the delivery deadline is missed, such damages and costs may arise.

10. If we are prevented from delivery by force majeure, the delivery date shall be automatically extended by its duration plus a reasonable start-up time. Force majeure is equivalent to circumstances unforeseen at the time of agreement on delivery schedules and which are beyond our control and which impede delivery to an unreasonable extent or make it temporarily impossible. Examples are industrial action, official measures, unavoidable shortages in raw materials or energy, significant breakdowns in operation due to damage to the factory as a whole or to important sections thereof or due to the failure of essential production systems or absence of essential staff due to pandemic, serious transport disruptions etc., e.g. road blockages, industrial dispute affecting the transport industry, general prohibitions on travel. This also applies if such circumstances affect subcontractors.
11. The designated circumstances exempt us even if they occur during a period of existing default.
12. We will notify the purchaser of such circumstances as soon as possible. Notification may not be given if the customer is already aware of the circumstances.
13. Should such circumstances last more than 4 months, we also have the right to withdraw from the contract. At the purchaser's request we must declare whether we are to withdraw or deliver within an appropriate period of time to be specified by us. Claims by the purchaser for compensation shall be ruled out under such circumstances. Both contracting parties may withdraw from the contract without obligation to pay compensation if it is established that performance of the contract has become impossible due to such circumstances.

V. Delivery requirements, trade clauses, transfer of risk, transport and packaging costs, default of acceptance

1. The delivery takes place according to the respectively agreed shipping clause.

If trade clauses have been agreed according to the International Commercial Terms (INCOTERMS), the INCOTERMS are valid in the latest version (currently INCOTERMS® 2010).

2. Unless otherwise agreed, the INCOTERM® 2010 "EXW" - named place of delivery – applies.
3. In deviation from the regulations of INCOTERMS®2010, we organize, according to a separate agreement - at the risk and expense of the purchaser - the transport. The costs will be invoiced separately.
4. Appropriate partial deliveries are permitted.
5. If packaging deviating from the standard is agreed, the resulting costs are calculated separately.
6. Expenses for the execution of the purchaser's order, such as duties, taxes, expenses for export declarations (MRN) or costs for the issue of movement certificates (A.TR), costs for a letter of credit and other charges / costs shall be reimbursed and shall be billed separately.
7. If the goods are dispatched on pallets, they will be charged; if the pallets are returned without freight in an undamaged condition at one of our plants/distributing warehouses, they are remunerated by credit.
8. The purchaser shall immediately lodge any complaints regarding transport damages with the carrier in writing with immediate copy to us. If possible, the damage must be documented by meaningful photos.
9. Unless otherwise agreed in individual cases, the purchaser shall be responsible for compliance with legal and official regulations on the import and/or export, transport, storage and use of the goods and the related expenses and costs.
10. Foreign deliveries are delivered without customs clearance (e.g. EXW destination INCOTERMS® 2010).
11. If the purchaser is in default with the call-off order, acceptance or collection, or if he is responsible for a delay in dispatch or delivery, we shall be entitled to demand a cost-free flat rate equivalent to the usual storage costs, without prejudice to further claims of whether we store the goods with us or a third party. The purchaser reserves the right to prove that no or a lower loss has occurred.

VI. Retention of title

1. Until the full payment of all our trade receivables, which we are entitled to against the purchaser now or in the future, the following security shall be granted to us, which we shall release upon request at our discretion if their value exceeds our total demand by more than 10 %:
2. The goods remain our property. Processing or transformation is always carried out for us as manufacturer but without any obligation against us. If the supplied goods are processed together with items, substances or other third-party stocks not belonging to us, even for a third party as manufacturer, we obtain joint ownership in the new object in the proportion of the value of our

supplied goods to the third-party stocks at the time of the processing. The purchaser is entitled to process or to transform the retained goods in the course of normal business, provided that he is not in default of payment. Should our (joint) ownership be ended by mixing, combining or processing, it is hereby agreed that the (joint) ownership of the purchaser in the integrative item shall be transferred to us proportionate to its value (invoiced value). The purchaser shall safeguard the (jointly) owned goods free of charge. The purchaser is obliged, in particular as the keeper, to properly safeguard the supplied goods and to maintain them and to ensure that no risk to people or property can arise. Any and all potential risks shall be reasonably covered by insurance policies. Goods for which we are entitled to a (joint) ownership, are called below reserved goods.

3. The purchaser is entitled to sell the reserved goods in the ordinary course of business as long as he is not in default with payment. Pledges or collateral assignments are inadmissible. The purchaser assigns to us the accounts receivable from the resale or any other legal basis (insurance, tort) with respect to the reserved goods arising from deliveries or services or indemnities to the extent of 110% of the invoice value. Without the effect of the assignment, the fact remains whether the installation is carried out by us, the purchaser or the vicarious agents of one or other contracting party. The purchaser is revocable authorized to collect the claims assigned to us for his account in his own name. This authorization can be revoked by us if the purchaser does not properly fulfill his payment obligations.
4. The purchaser is only entitled, after our consent, to sell the claim resulting from the business dealings with our purchasers to a factor by way of genuine factoring. The claim against the factor is already assigned to us to the value of 110% of the invoice value of the reserved goods concerned. If the claim against the factor is also considered as security, the assignment is limited to the amount of the share that results from the ratio of all claims against the purchaser secured by retention of title and assignment (proportion). With payment of the purchase price for the claim by the factor, our claim from the affected contractual relationship against the purchaser is due immediately and without deduction of cash discount.
5. In the case of access by third parties to the reserved goods, the purchaser will point out our property and notify us immediately. Costs and damages caused by access are borne by the purchaser.
6. In case of breach of contract by the purchaser - in particular default of payment - we are entitled to withdraw the reserved goods. If the reserved goods are located with a third party, the purchaser assigns to us already now his claims against the third party against us. Insofar as the third party is entitled to the reserved goods, these are taken into account. As the indirect owner of the reserved goods, we have the right to enter the premises, rooms and roofs of the purchaser on which or in which the reserved goods are stored. The withdrawal as well as the seizure of the reserved goods by us is just as little as in the disclosure of the security deposit a rescission of the contract.
7. At our request, the purchaser is obliged to provide information on all assigned claims, in particular to provide a list of the debtors by name, address, amount of claims, date and number of the invoices and, upon request, the information and documents required to enforce the claims.
8. We are entitled to claim the values of the purchaser, which are subject to our actual influence, as collateral and to exploit a suitable detachment sum free of charge upon unsuccessful offer.

VII. Warranty: Obligation to investigate and to notify, guarantees, deficiencies

1. In order to safeguard claims for defects, the purchaser shall immediately inspect the goods for their conformity with the contract, in particular variety, quantity and weight deviations, as well as recognizable defects. Complaints of obvious damages which can be identified by a proper inspection are to be reported in writing immediately upon delivery. In the course of the proper inspection, delivery notes, product identification and the service declaration must be included. At our request, the complaint must be proved by submitting a complained sample part or a meaningful photo documentation. Defects which are not yet recognizable at the time of delivery are to be notified in writing immediately after their determination.
2. If any defects are detected during processing, the work must be discontinued immediately and the unprocessed original products and product identification (packers) must be ensured. They are to be made available to us on request for examination.
3. Guarantee declarations must be expressly stated as such in the order confirmation or otherwise agreed in writing. If a guarantee is not agreed, we provide warranty under the following conditions:
 - a. in our product documentation (service declarations, technical data sheets) the products supplied by us are usually described with reference to the relevant German and European standards. A guarantee of quality is not linked to this description, unless an express agreement is made.
 - b. on principle, we do not assume any guarantee for the suitability of our goods for a specific purpose, unless we have expressly assured them in writing.
 - c. information in advertising media on the characteristics of our products, their processing and application, in particular information on characteristics relating to particular dimensional accuracy as well as compliance with EN / DIN regulations, will only be binding if they have been expressly agreed in the respective case.
 - d. claims for defects shall be excluded if defects have been notified only after the goods have been treated or processed in spite of obvious defects or even defects recognized by the purchaser.
 - e. no guarantee is undertaken for differences in quality, dimension, density, weight, etc. if such differences do not exceed the normal industry and material deviations and in particular if they are within the tolerance range of quality guidelines or standards.
 - f. in the event of justified complaints made in good time, we shall, at our discretion, grant rework or provide replacement. For substitute deliveries, we have an appropriate period, in particular the time required for the procurement of the replacement product. If the defect does not affect usability and if there is no substantial defect, we are entitled to grant reduction instead of the supplementary performance. Further claims of the purchaser presuppose that we are in default with the supplementary performance due to material defects and that a reasonable period of grace has elapsed or two attempts at rectification have failed. Even after expiry of the extension period, we are entitled to perform the supplementary performance until a clear declaration has been received by the purchaser, which explicitly rejects further services. Instead of withdrawing from the contract and claiming damages instead of the performance, the purchaser may demand the costs of a substitute action insofar as their costs do not exceed the net order value of the defective part of the delivery.

- g. we shall not be liable for defects caused by incorrect assembly, working or processing, improper handling or storage of the goods. Unauthorized interventions by the purchaser or third parties will result in the loss of the warranty claims.

VIII. Liability, Limitation of Liability

1. Liability of our company for damages or futile expenses - irrespective of which legal basis, with the exception of a delay in performance (see section IV.) - shall only occur if the damage or futile expenses
 - a. was caused by us or one of our vicarious agents by culpable breach of a material contractual obligation; or
 - b. was caused by a gross negligent or intentional breach of duty by us or one of our vicarious agents.

According to para. VIII.1.a and VIII.1.b, we shall only be liable for damages or futile expenses which have been caused by a consultation or information which has not been separately paid for in the case of willful or grossly negligent breach of duty insofar as this breach of duty does not constitute a deficiency in property pursuant to § 434 BGB of the goods delivered by us.

2. If, in accordance with section VIII.1.a, we are liable for a breach of a material contractual obligation without gross negligence or intent, our liability for damages shall be limited to the foreseeable, typically occurring damage. In this case, we shall in particular not be liable for the lost profit of the purchaser and unforeseeable indirect consequential damage. The foregoing limitations of liability pursuant to sentences 1 and 2 shall equally apply to damages caused by gross negligence or intent by our employees or agents. We shall not be liable for any indirect damages suffered by the purchaser resulting from the assertion of claims arising from contractual obligations against third parties which go beyond legal liability (guarantees, contractual penalties, etc.)
3. The above limitations of liability referred to in clauses VIII.1 to VIII.2 shall not apply insofar as our liability is compulsory on the basis of the provisions of the Product Liability Act or if claims against injury to life, body or health are asserted against us. If the goods delivered by us are of a guaranteed quality (property), we shall only be liable for such damages, which were not covered by the guarantee.
4. Any further liability for damages other than in clauses VIII.1 to VIII.3 shall be excluded, without regard for the legal nature of the asserted claim. This also applies in particular to claims for damages resulting from negligence on conclusion of the contract pursuant to § 311 para. 3 BGB, positive breach of contract pursuant to § 280 BGB or due to delictual claims pursuant to § 823 BGB.
5. Insofar as this liability for damages is excluded or restricted in accordance with clauses VIII.1 to VIII.4, this also applies to the personal liability for damages of our employees, representatives and performing agents as well as vicarious agents.

IX. Limitation of claims

1. Claims of the purchaser due to defects in goods supplied by us or due to the performance of our services, including claims for damages and reimbursement of futile expenditures, lapse within one year unless § 479 Abs. 1 BGB (recourse) stipulates longer deadlines.

2. If the purchaser is an entrepreneur and if he or another purchaser in the supply chain has fulfilled the consumer's claims as an entrepreneur because of defects in the newly manufactured items delivered by us and delivered to the consumer as new items, limitation of the claims of the purchaser against us from §§ 437 and 478 paragraph 2 of the German Civil Code (BGB) takes force at the earliest two months after the date on which the purchaser or the other buyer in the supply chain as an entrepreneur fulfilled the claims of the consumer, unless the purchaser could have successfully appealed to the purchaser/contract partner for the limitation of the limitation period.
3. If we have provided advice and/or information which is not to be paid separately, without having supplied goods in connection with the information or consultation, or without the unlawful advice or information being a defect of quality in accordance with § 434 BGB of the goods delivered by us, all claims hereon against us shall become statute barred within one year from the statutory start of limitation. Claims of the purchaser / customer against us resulting from the infringement of contractual, pre-contractual or legal obligations which are not a defect in accordance with § 434 BGB of the goods to be delivered or delivered by us shall also become statute barred within one year from the statutory start of limitation.
4. The conditions laid down in para. IX.1 to IX.3 shall not apply to the limitation of claims for the violation of life, body or health and not for the limitation of claims under the Product Liability Act and due to defects in the rights of the goods delivered by us, right of a third party on the basis of which the delivery of the goods delivered by us can be demanded. Furthermore, they do not apply to the limitation of claims by our purchaser/purchasers based on the fact that we have maliciously concealed defects in goods delivered by us or have violated a duty intentionally or through gross negligence. In the cases referred to in this clause IX.4, statutory periods of limitation apply to the limitation of these claims.

X. Prohibition of assignment

Without our explicit written consent, rights or claims against us, in particular due to defects in goods supplied by us or due to breaches of duty committed by us, may not be transferred to third parties, either wholly or in part, or pledged to third parties; section 354 a HGB remains unaffected.

XI. Cancellation, withdrawal

1. After our order confirmation a cancellation is only possible with our consent and only against reimbursement of the costs arising from the order (e. g. costs for inspection, new packaging and transport) plus an expense allowance of 20% of the net value determined for redemption (termination agreement).
2. The return of the defect-free goods delivered by us is excluded.

XII. Data processing

We would like to point out that data concerning transactions are processed within our company, and we reserve the right to transfer the data required to obtain credit protection to the insurer

XIII. Choice of law for international legal proceedings

The law of the Federal Republic of Germany under the exclusion of the United Nations Convention on Contracts for the International Sale of Goods, shall apply to these terms and conditions and all legal relations between seller and purchaser.

XIV. Place of performance, court of jurisdiction, contract language

1. If the purchaser is a merchant, a legal entity under public law or a special fund under public law, the place of performance for our ex works supply obligation is the appropriate manufacturing works, in the event of supplies ex warehouse it is the appropriate warehouse. The place of performance for the buyer's obligations is D-60437 Frankfurt.
2. If the purchaser is a merchant, a legal person under public law or a public-law fund or does not have a seat in the Federal Republic of Germany, D-60437 Frankfurt/Main is the exclusive court for all disputes arising directly or indirectly from the contractual relationship. In all cases we shall be entitled, at our discretion, to take legal action also at the purchaser's place of business.
3. Unless otherwise agreed, the contract language is German. If, in addition to the confirmation order in German, there is a version in the language of the purchaser or another foreign language, solely the German version shall be authoritative for the interpretation of the contract. If there exists only one confirmation order in a foreign language, the text shall be translated into the German language and this translation shall be relevant for the interpretation. If there is a disagreement between the contracting parties on the wording of a translation pursuant to paragraph 1, a publicly appointed translator shall be appointed jointly at the expense of both parties; his translation text shall be decisive for the interpretation of the contract.

If the contractual partners are unable to agree on a translator pursuant to paragraph 2, the person shall be appointed by the President of the Regional Court of Frankfurt or the Managing Director of the Chamber of Industry and Commerce in Frankfurt. Both contracting parties have the right to apply for the provision.

If the question of the drafting of the contract or of the current version cannot be resolved by mutual agreement, the competent court of the interpretation basis shall determine independently.

XV. Final provisions

Should any of the above provisions be invalid, ineffective or excluded by a special agreement, this shall not affect the validity of the remaining provisions.