



PalNet GmbH Air Cargo Products (PalNet) General Terms and Conditions of Sales

1. Scope of General Terms and Conditions of Sale

All sales of goods and services by PalNet shall be exclusively subject to these General Terms and Conditions of Sale. Any general terms and conditions of the Purchaser that deviate from these General Terms and Conditions of Sale shall not apply unless they have been expressly accepted in writing by PalNet. Any failure by PalNet to object to such general terms and conditions of the Purchaser shall not be deemed an acceptance thereof by PalNet even in cases where PalNet has received such general terms and conditions of the Purchaser.

2. Offers, Acceptance, Orders, Prices

2.1. Any offers made by PalNet shall be non-binding and may be revoked until PalNet has received an order from the Purchaser.

2.2. Any orders by the Purchaser in deviation from offers made by PalNet shall be subject to written acceptance by PalNet. If PalNet does not confirm any such order by the Purchaser, no contract shall be deemed to have been concluded between the Purchaser and PalNet.

2.3. The prices stated in offers submitted by PalNet shall be deemed not to include value added tax or any and all ancillary expenses (including without limitation carriage, customs, packaging, insurance or the cost of taking back and disposing of packaging).

3. Delivery and Performance, Notification of Defects

3.1. The place of performance shall be the registered office of PalNet or any other place that may be designated by PalNet. Unless otherwise agreed in writing, all goods shall be collected from the plant of PalNet.

3.2. Unless otherwise agreed, delivery dates stated by PalNet are probable delivery dates, which PalNet will use its best efforts to meet.



3.3. In the event of circumstances beyond the control of PalNet which delay the delivery of goods or make delivery impossible or unreasonably difficult, including without limitation acts of authorities, acts of God, accidents, disturbances to traffic and operations, shortages of raw materials or energy, strikes or lockouts, PalNet shall be released from its obligation to deliver the goods concerned for the duration of such circumstances and for a reasonable period thereafter. In the event that such circumstances will probably not cease within a reasonable period of time, PalNet shall be entitled to rescind the contract either in whole or in part without any obligation to deliver the goods concerned subsequently.

3.4. In the event of delay by the Purchaser in accepting products supplied by PalNet or in the event of wilful or negligent infringement by the Purchaser of its other obligations to provide support, PalNet shall be entitled to claim damages including any additional expenditure incurred. This right shall be without prejudice to any further claims of PalNet.

3.5. In the event that the Purchaser is a commercial enterprise, the Purchaser shall not have any claims against PalNet in connection with defects in products supplied by PalNet unless the Purchaser has complied with its inspection and complaint obligations under Section 377 HGB (German Commercial Code), i.e. has notified PalNet in writing of evident defects promptly upon the delivery of the goods concerned and latent defects promptly upon the detection thereof.

4. Transfer of Risks, Retention of Title

4.1. The risk of the loss or deterioration of or damage to products supplied by PalNet shall be transferred to the Purchaser upon the complete collection of the products and services concerned at the place of performance or immediately in the event of delay by the Purchaser in taking delivery of products.

4.2. PalNet shall retain title to goods delivered by PalNet until full payment for such goods has been received by PalNet and the Purchaser has met all its obligations under its business relationship with PalNet (such goods are hereinafter referred to as "Retained-Title Goods").



Upon the purchase of Retained-Title Goods, the Purchaser shall already be deemed to have assigned its claims in connection with the resale of such goods including any rights associated therewith to PalNet. The Purchaser shall remain entitled to enforce said claims that have been assigned to PalNet until such authorization is revoked. Upon request by PalNet, the Purchaser shall notify PalNet of the amount of such claims and the names of the third-party debtors concerned.

If the Retained-Title Goods are combined with other goods, PalNet shall be deemed the manufacturer of the resulting products and shall acquire title to such products, without the Purchaser having any claims against PalNet in connection with such transfer of title. In the event that Retained-Title Goods are processed together with other materials, PalNet shall acquire a share in the title to the resulting products corresponding to the ratio of the gross amount invoiced for the Retained-Title Goods concerned and the other goods concerned. In the event that Retained-Title Goods are combined, mixed or blended with other materials and the other materials concerned represent the main materials of the resulting product, PalNet shall acquire a share in the title to the resulting product corresponding to the gross amount invoiced for the Retained-Title Goods concerned.

In the event that the value of Retained-Title Goods exceeds the total amount owed by the Purchaser to PalNet by more than 10%, PalNet shall, upon request by the Purchaser at any time, transfer back to the Purchaser title to Retained-Title Goods selected at the option of PalNet corresponding to such excess amount.

5. Guarantees, Warranty and Compensation

5.1. PalNet makes any oral and written declarations concerning the fitness for purpose and possible applications of the goods delivered by PalNet to the best of its knowledge and belief. Any such declarations shall not relieve the Purchaser of its obligations to convince itself that the goods delivered by PalNet are fit for the purpose intended by the Purchaser by carrying out its own tests.

5.2. The Purchaser shall not have any claims against PalNet with respect to defects in products caused by the improper carriage, storage, treatment or processing of products after delivery. The Purchaser shall also not have any claims against PalNet with respect to defects in products caused by normal wear and tear.

5.3. In the event that the Purchaser is a commercial enterprise, claims by the Purchaser against PalNet with respect to defects in products shall be forfeited unless made within 12 months of the delivery or acceptance thereof at the place of performance.



5.4. PalNet shall be liable for wilful act or omission and gross negligence and for the wilful or negligent infringement of material obligations under the contract. In the event of the infringement of material obligations under the contract by slight negligence, the liability of PalNet shall be limited to the loss or damage that could have typically been foreseen in connection with the contract. These limitations shall be without prejudice to the liability of PalNet for death, personal injury or damage to health caused by wilful act or negligence. This shall also apply to liability under the German Product Liability Act. Any other claims for damages by the Purchaser shall be excluded.

6. Invoices, Payments, Set-off, Retention

6.1. Invoices issued by PalNet shall be payable without deduction within 30 days of the date of issue. Payment shall be deemed to have been made in good time if payment is received by PalNet and is at the disposal of PalNet without any reservations on the date when it is due.

6.2. If the deadline for payment is exceeded or PalNet does not receive payment in full in good time, the Purchaser shall be deemed to be in default no later than 30 days after the receipt of the invoice and the due date of payment, without it being necessary for PalNet to issue a reminder. Without prejudice to any other claims, PalNet shall be entitled to charge interest at 8 percentage points above the then base rate on any amounts outstanding from the date of default in accordance with Section 247 BGB (German Civil Code).

6.3. If the Purchaser is in default with payments to PalNet or there are grounds for reasonable doubt concerning the solvency of the Purchaser, PalNet shall be entitled to declare that any amounts owed by the Purchaser to PalNet are due and payable immediately and/or to require security of the Purchaser, even before the delivery of goods, to withhold delivery of any goods under the contract concerned or other contracts in whole or in part or to rescind any contracts with the Purchaser.



6.4. PalNet shall be entitled to set off counterclaims. The Purchaser shall not be entitled to set off or retain any amounts except in respect of claims that are the subject of an enforceable judgement or have been accepted by PalNet.

7. Venue for Disputes, Applicable Law

7.1. In the event that the Purchaser is a commercial enterprise, the venue for any disputes arising out of or in connection with contracts concluded by PalNet, including such disputes concerning the validity, revocation or termination of such contracts, shall be the place where PalNet has its registered office, provided however that PalNet shall be entitled to bring proceedings against the Purchaser at any other legally admissible venue.

7.2 Any and all legal relationships between PalNet and the Purchaser shall be governed by and construed and interpreted in accordance with German substantive and procedural law, provided however that the provisions of German law concerning conflict of laws shall not apply.

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