

General Terms and Conditions of PARAGON Technologie GmbH

§ 1 General provisions

These General Terms and Conditions apply to the entire business relationship with our customers. General terms and conditions contrary to these shall only form part of a contract where they have been recognised by us, in writing. In the event that such recognition is granted, it shall be restricted to the respective transaction. Goods shall be supplied in the specified versions, packaging units or minimum quantities and are subject to technical changes, in the sense of technical improvements, as well as customary deviations in shape, colour and weight, provided there is no deviation from the order in terms of quality and functionality.

Orders shall only be binding upon us where they have been confirmed by us or where we have discharged them by delivering the goods. We are entitled to effect partial delivery or part performance where there is a good reason.

§ 2 Prices

Provided nothing is expressly stated to the contrary, prices relate to the item shown, as described, but not to accessories or decor. All prices include value-added tax at the applicable rate. Prices indicated in the advertising refer to the time of publishing and are subject to change thereafter. In the case of contracts which have already been concluded, a change to the agreed price is ruled out.

§ 3 Conditions of delivery and performance

In the event that PARAGON rescinds the contract due to non-availability of the goods, we undertake to inform the customer immediately about the non-availability and to reimburse the customer in respect of any consideration received. This provision shall also apply in the case of claims for supplementary performance. If the goods ordered are not, or no longer, available, we also reserve the right, before the order becomes binding, to offer other goods of equal value in terms of quality and price. Once the order has become binding, we reserve the right, in the individual case, to offer goods of equal value in terms of price, without any reduction in the ordered quality and functionality. With respect to replacement items, where the goods have been accepted, the provisions under Clause 6 of these Terms and Conditions shall apply relating to claims under warranty, guarantee provisions and claims for compensation. In addition, with respect to consumers, the 14-day right of return under Clause 5 of these Terms and Conditions also applies.

§ 4 Payment conditions

Invoices are due for payment immediately and without any deductions. Where the customer defaults on payment, we shall be entitled to impose reminder charges of EUR 5.00 plus default interest at the statutory rate. This shall be without prejudice to further claims for compensation. The customer is free to prove that PARAGON did not incur any loss or that the loss was substantially less than claimed.

Irrespective of any provision to the contrary on the part of the customer, PARAGON is entitled to set payments off against the customer's earlier liabilities. Payments by cheque or bill of exchange do not represent payment in cash and will only be accepted on account of payment. PARAGON is not obliged to present cheques promptly. Payments shall only be regarded as settled when PARAGON is able to draw on the amount owed without loss. In the case of invoice payments by direct debit, title to the goods shall only pass to the customer if the amount could be collected in full and the direct debit was not countermanded.

§ 5 Notification of the consumer as to right of return and the consequences of return in the case of consumer contracts

Customers, who are classed as consumers within the meaning of Section 13 German Civil Code (BGB), may return the goods received, by sending them back within two weeks, and need not give a reason. The time limit shall start on receipt of this notification in writing (e.g. as letter, fax, email) but not before receipt of the goods by the customer (in the case of recurrent delivery of similar goods, not before receipt of the first partial delivery) and not before performance of our

obligations to provide information under Section 312c (2) German Civil Code in conjunction with Section 1 (1), (2) and (4) BGB-InfoV (Regulations on the Duty of Information under German Civil Code), and in the case of an order in the course of online business, not before performance of our obligations under Section 312e (1), sentence 1 German Civil Code in conjunction with Section 3 BGB-InfoV. Only in the case of goods which are not capable of being sent as a parcel shipment (e.g. bulky goods) are you entitled to notify a return by way of a request to collect the goods, in written form. In order to comply with the deadline, it is sufficient if the goods, or the request to collect the goods, are dispatched within the prescribed period. We shall bear the cost and risk of returning the goods in each case. The return or request for collection must be addressed to:

**Paragon Technologie GmbH,
Heinrich-von-Stephan-Str. 5c, 79100 Freiburg,
Tel. +49 (0) 761 590 18 201,
Fax +49 (0) 761 590 18 130;
Email: vertrieb@paragon-software.com**

Information about the Consequences of Returning Goods:

In the event of the effective return of goods, benefits received by both parties must be surrendered and, where appropriate, any advantages obtained must be restored (e.g. practical value). Where the goods have deteriorated, compensation may be claimed. This does not apply where deterioration of the goods is exclusively due to their being examined, in such a way as would be possible in a shop, for example. With respect to deterioration arising from use of the goods in line with the instructions, no compensation will be payable by you. The obligation to refund payments must be fulfilled within 30 days. For you, the time limit shall start to run when the goods or request for collection is dispatched, for us, on receipt of the same. The returned goods must be returned to us in their entirety (including accessories, instructions manual etc.). Excluded from the right of return are audio and video recordings, magazines and software where the Buyer has removed the sealed packaging. In the case of services, your right of return shall expire prematurely where PARAGON, with your express consent, begins to provide the services prior to the end of the time limit for effecting return, or where you prompt this yourself (e.g. by way of downloads etc.) The right of return applies only within the area of application of the law on long-distance sales.

End of notification on right of return.

§ 6 Claims under warranty, guarantee provisions and claims for compensation

The statutory limitation period for claims under warranty is 2 years and commences with delivery of the goods. During this period, all defects covered by implied statutory warranties shall be removed free of charge. Provided that the customer is not a consumer, claims under warranty are initially restricted to supplementary performance; where supplementary performance fails, the customer may choose between the right to rescind the contract of sale or reduce the purchase price. Where the goods are guaranteed by the manufacturer, the details of the guarantee are contained in the guarantee provisions enclosed with the respective item.

PARAGON shall be liable for loss resulting from death, physical injury and damage to health due to a negligent breach of duty on the part of PARAGON or an intentional or negligent breach of duty by a statutory representative or person employed in the performance of contractual obligations by PARAGON, and for other loss due to a breach of duty resulting from intent or gross negligence on the part of PARAGON, or a breach of duty resulting from intent or gross negligence on the part of a statutory representative or person employed in the performance of contractual obligations by PARAGON, and for every default in the case of loss resulting from the breach of a material contractual condition. Any additional liability for damages, irrespective of the legal basis, is excluded. This shall not affect liability for damages where the goods are not fit for a particular purpose or liability arising under the Product Liability Act.

§ 7 Lien

We shall retain a lien over the delivered goods until payment in full of the purchase price. Where accounts are still outstanding from goods which have been delivered, or where goods have not yet been delivered, the customer shall be obliged to notify us, without delay, of any change in the address of his residence or place of business.

§ 8 Contracts with traders, public bodies, publicly-owned corporations

With respect to contracts with traders, public bodies, or publicly-owned corporations, the following special rules apply: Until all outstanding claims against the purchaser, to which we are or will become legally entitled, have been settled (including all outstanding balance claims from the current account), we shall be granted the following rights and guarantees, which shall be released at our request, provided their value persistently exceeds the outstanding claims by more than 20%. We shall retain title to the goods. Any processing and remodelling shall be effected for us as manufacturer but without giving rise to any obligation on our part. Where our (co-)ownership ceases to exist due to amalgamation of the product, it is hereby agreed that the purchaser's (co-)ownership of the integrated item passes to us in proportion to the value (invoice value).

The purchaser shall preserve (co-)ownership free of charge. Goods of which we have (co-)ownership, shall be referred to hereinafter as reserved-title goods. The purchaser is entitled to process and sell the reserved-title goods in the usual course of business provided it is not in default. Pledging or assigning the goods as collateral is not permitted. By way of security, the purchaser hereby assigns to us, in full, claims arising from resale or some other legal basis (insurance, tort) in relation to the reserved-title goods (including all outstanding balances claims from the current account). We revocably authorise the purchaser to recover the claims assigned to us, in its own name, for a third-party account. This authorisation to effect recovery may be revoked if the purchaser fails to properly comply with its payment obligations.

In the event of the reserved-title goods being attached by third parties, particularly by way of pledge, the purchaser shall indicate that title belongs to PARAGON and inform PARAGON without delay so that PARAGON can enforce its rights of ownership. Where the third party is not in a position to reimburse the judicial or extrajudicial costs which we incur in this regard, the purchaser shall be liable for them. In the case of a breach of contract by the purchaser, particularly default on payment, we reserve the right to rescind the contract in order to reclaim the reserved-title goods or to be able to require assignment of the right to claim restitution from third parties.

§ 9 Notification of data collection

PARAGON processes customer information for the purpose of dealing with enquiries and orders and for maintaining existing customer relations. Every customer has the right to object to being sent product information by post, at any time. The customer is considered to have agreed to being sent product information by post until the objection is received.

§ 10 Concluding provisions

The invalidity of individual provisions shall not affect the validity of the remaining General Terms and Conditions. In the case of contracts with traders, trading companies, public authorities, publicly-owned corporations and where the customer, not being a consumer, is subject to a general jurisdiction outside this country, it is agreed that the court with jurisdiction shall be Freiburg im Breisgau. German law applies.

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Offeror's Details:

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