

Terms & conditions for the **international business**

V. FRAAS GmbH and subsidiary V. FRAAS International Trading GmbH & Co. KG

Version as per 31.01.2022

I. Scope – General Terms

1. Our terms and conditions apply to all present and future transactions with our contracting partner, hereinafter called Customer. They are considered accepted by the Customer at the latest upon acceptance of delivery. Our terms apply exclusively, even if we do not express our objection to divergent Terms of Purchase or counter-confirmations which we do hereby expressly reject. All supply agreements, other agreements and deviations from our Terms and Conditions only become binding on us after our written confirmation and only on the terms confirmed by us.
2. Our silence concerning contractual declarations of the Customer shall never imply our consent.
3. The goods are subject to prior sale.
4. Any assignment of a claim against us requires our express confirmation in writing.

II. Place of performance, delivery and acceptance

1. The place of performance for all aspects of the delivery agreement shall be Wüstenselbitz / Germany.
2. The goods shall be delivered from our domestic factory. These shipping costs shall be borne by the purchaser. The purchaser can determine the carrier. The goods shall be sent uninsured. A delivery notice may be agreed.
3. Packing costs for special packaging shall be borne by the purchaser.
4. Sorted partial shipments and in the case of combinations partial shipments ready for sale must take place promptly and must be notified in advance. Unsorted shipments shall only be permitted with the consent of the purchaser.

5. If acceptance is not made in time due to the fault of the purchaser, the seller shall be entitled, at his discretion, after a grace period of 12 calendar days has been set to either submit an invoice for the goods with payment due immediately (statement of accounts in arrears) or withdraw from the contract or claim for damages.

III. Subject matter of the contract

1. The goods shall be delivered on specific dates (workday or a specific calendar week). All sales shall only be concluded for certain quantities, articles, levels of quality and fixed prices. Both parties shall be bound by this. Commission business will not be concluded.

2. Block orders are permitted and must be limited when the contract is concluded. The acceptance period shall not exceed 12 months.

IV. Interruption of the delivery

1. In the event of force majeure, labor disputes a party is not responsible for, and other operational disruptions that are beyond a party's control and have lasted or are expected to last longer than a week, the delivery or acceptance period shall readily be extended by the duration of the obstruction, but not exceeding 5 weeks. The extension shall only be granted if the other party is immediately made aware of the reason for the obstruction, as soon as it is clear that the delivery or acceptance deadline can not be met.

2. If the delivery or acceptance in the cases referred to in clause 1 does not take place within the extended delivery or acceptance period the other party may withdraw from the contract, after the expiry of a grace period of 12 calendar days to be set.

3. Claims for damages shall be excluded in the cases referred to in clause 1 if the relevant party has sufficiently fulfilled their obligation in accordance with clause

V. Subsequent deadline for delivery

1. After expiry of the delivery period, a grace period of 12 calendar days shall start without any declaration being required. After this period, the purchaser may rescind the contract by giving notice in writing. If the purchaser wishes to request compensation for damages instead of delivery, it must give the seller a 4-week grace period after expiry of the agreed delivery date in writing.

2. The grace period for goods in stock that are ready for dispatch, and NOS goods - "Never-out-of-stock" - is 5 working days. The purchaser must be informed immediately in the event of non-delivery. Furthermore, the provisions of clause 1 shall apply.

3. Before the end of the subsequent delivery deadline claims of the purchaser for late delivery shall be excluded, if section 7 clauses 2 and 3 do not apply.

VI. Notice of defect

1. Notices for obvious defects shall be sent to the seller no later than 12 calendar days after receipt of the goods. The purchaser must report hidden defects to the purchaser without delay upon discovery.

2. Little, technically unavoidable deviations in quality, color, width, weight, finish or design may not be rejected. This also applies for standard deviations, unless the seller has declared in writing that the delivered goods must match the sample.

3. In case of justified complaints relating to obvious defects, the purchaser has the right to request at the seller's discretion repair of the goods or delivery of replacement goods within 12 calendar days after receipt of the returned goods. In this case, the seller shall pay the freight costs. If subsequent performance fails, the purchaser shall only be entitled to reduce the purchase price or withdraw from the contract, unless section 7 clauses 2 and 3 apply.

4. If the notice of defect is not made in a timely manner, the goods shall be deemed to be approved.

VII. Compensation for damages

1. Claims for damages made by the purchaser shall be excluded unless otherwise agreed in these conditions.

2. The exclusion in clause 1 shall not apply to liability in accordance with the German Product Liability Act, in case of intent, gross negligence on the part of the owners, legal representatives and officers, fraud, failure to comply with a provided guarantee, in the event of culpable injury to life, body or health or in the event of a material breach of contract by fault; material contractual duties are obligations, the performance of which shapes the contract and on which the purchaser may rely. A claim for compensation of damages due to a breach of material contractual obligations shall be limited to foreseeable damage typical for a contract of this kind, unless another case referred to in clause 1 applies.

3. A change to the burden of proof to the detriment of the purchaser is not connected with the above regulations.

VIII. Payment

1. Invoices shall be due on receipt of the invoice not later than 7 days of the date of the invoice unless otherwise agreed in written. All terms of payment are under reserve of confirmation of cover by our credit insurance. In the case that goods ordered are not called they will become payable 4 weeks after the initially agreed delivery date.

2. Any set-off against other undisputable or legally enforceable counterclaims as well as any exercise of the right to refuse performance or right of lien require our express consent.

3. Payments will be used to pay the oldest debt due plus the accrued interest on arrears.

4. In case of any decline regarding the financial circumstances of the customer and/or any reservations about the credit standing of the customer (e.g. futile enforcements, revocation of credit insurance coverage) we are entitled to refuse our services until – at our option – an advance payment or payment of an appropriate surety is made. In the case that our demand for such advance payment or bail is not complied with within an appropriate period – as a rule two weeks – we are entitled without setting a further period to withdraw from the contract or to claim for damages for default.

5. Invoices sent by e-mail are to be considered legally binding

IX. Payment after the due date

1. For payments made after the due date interest of 9 percentage points above the base rate of the ECB.

2. The seller is not obligated to make any further deliveries on the basis of the ongoing delivery contracts before complete payment of invoice amounts due including interest is made. The right to claim for damages caused by the delay is reserved.

3. In the event of substantial deterioration in the financial circumstances, such as imminent insolvency or default of payment, the seller can refuse his contractually agreed services regarding all supply contracts that

are based on the same legal relationship agreed services or withdraw from this delivery agreement after a grace period of 12 calendar days.

X. Retention of title

1. All deliveries are subject to reservation of title. The goods supplied shall remain our property until full payment of the purchase price and all claims, including future claims that we acquire against the Buyer. The reservation of title shall remain in existence even if some of our claims are incorporated in a current invoice and a balance is struck and accepted.
2. If the Buyer processes the goods delivered into a new item, the processing shall be for us. The Buyer cannot acquire title to the processed items. In case of processing with other items that do not belong to us we shall acquire joint ownership in the new item in the ratio of the value of the goods we delivered and the other goods at the time of processing. This new item shall be deemed to be reserved goods as defined in these terms and conditions. The Buyer shall reserve conditional title to the goods to which he is entitled as against his buyers until the latter have paid the purchase price in full. The invoice value of the goods supplied by the Seller for this transaction shall be assigned to him from the claim that the Buyer acquires on the resale with the conclusion of the contract or this confirmation. In case of assignment the Buyer can only collect the claim for the Seller. The Buyer shall notify the debtors of the assigned claims on demand by the Seller. The Seller can notify the assignment to the debtors. If the resale takes place together with other goods that do not belong to us at a total price, the Buyer hereby assigns his claims from the resale with the amount that corresponds to the value of the reserved goods. The assignment of the claim is assumed.
3. If the Buyer delivers and sells the goods to a third party, the Buyer hereby assigns the claim for payment to which he is entitled against the third party or against the person concerned with the amount that corresponds to the value of the reserved goods. The assignment of the claim is assumed.
4. The Buyer shall keep incoming amounts of money that accrue to reserved goods in part or in whole separately and pay them to us without delay. Even insofar as the Buyer fails to comply with this obligation the Seller shall be entitled to the collected amounts and they shall be kept separately. The Buyer shall notify the Seller immediately of access by third parties to the goods supplied under reservation of title or to assigned claims.
5. The Buyer shall be obliged to insure the goods supplied against the risk of theft and to provide evidence to the Seller on demand of the conclusion of the insurance policy.

XI. Jurisdiction

1. Legal venue is Hof/ Saale, Germany.

2. German law including CISG applies.