

## General Terms and Conditions of Sale and Delivery (GTC)

Franz Morat Holding GmbH & Co. KG  
 Franz-Morat-Straße 6  
 D-79871 Eisenbach

### Table of contents

I.	Validity of our terms and conditions.....	1
II.	Offers, Conclusion of Contract and Contractual Content .....	1
III.	Electronic communication.....	1
IV.	Prices and Delivery Clauses.....	1
V.	Molds and tools.....	1
VI.	Delivery.....	1
VII.	Shipping and Transfer of Risk.....	1
VIII.	Export Control and Customs Regulations.....	2
IX.	Sanctions under EU Regulation No. 833/2014 and similar provisions .....	2
X.	Duty to examine and give notice of defects .....	2
XI.	Warranty .....	2
XII.	Liability .....	2
XIII.	Limitation.....	2
XIV.	Retention of title.....	2
XV.	Payment terms.....	3
XVI.	Assignment.....	3
XVII.	Data protection.....	3
XVIII.	Place of Performance, Place of Jurisdiction and Applicable Law .....	3

### I. Validity of our terms and conditions

- These general terms and conditions of sale and delivery apply exclusively to all our offers, deliveries and services. They are an integral part of all contracts that we conclude with our contractual partners. They also apply to all our future deliveries, services or offers, even if they are not separately agreed again.
- Deviating agreements, in particular the customer's terms and conditions of purchase, are only binding if they have been expressly confirmed by us in writing, even if we have not expressly objected to them. Even if we refer to a letter that contains or refers to the terms and conditions of the customer or a third party, this does not constitute consent to the validity of these terms and conditions.
- Should any individual provisions of these General Terms and Conditions be ineffective, this shall not affect the effectiveness of the remaining provisions. Should any provision of these General Terms and Conditions be ineffective or unenforceable in whole or in part, the parties to the contract shall replace the ineffective or unenforceable provision with a regulation that most closely approximates the economic purpose of the ineffective or unenforceable provision. The same shall apply in the event of a regulatory gap.

### II. Offers, Conclusion of Contract and Contractual Content

- Offers are subject to change and non-binding unless they are expressly marked as binding or contain a specific acceptance period; subject to prior sale.
- Orders shall be deemed accepted upon issuance of our order confirmation or prompt delivery of the goods.
- Samples, specimens and other documents and information such as copies, drawings, dimensions and weights are only approximations and are not binding, unless corresponding written assurances have been expressly provided.
- We may use drawings, samples, construction and other information provided to us, the customer's choice of materials, etc. as a basis for delivery without being obliged to check them ourselves, and we cannot provide any guarantee for them. If no further details of tolerances are provided, we will use the general tolerances according to DIN 7168 as a basis for production. The assurance of corresponding properties requires an express written agreement.
- We reserve the right to a tolerance of  $\pm 10\%$  in the quantity delivered, depending on the type of production, in particular in the case of mass and series production.

### III. Electronic communication

- To the extent permitted by law, all declarations, notifications and documents relevant to the contract may also be transmitted in electronic form (e.g. by email).
- The customer agrees that communication with us will primarily be electronic. This includes, in particular, the transmission of invoices, order confirmations, delivery information and other contract-related documents.
- Electronic messages shall be deemed received as soon as they can be retrieved under normal circumstances in the electronic inbox of the recipient.
- The customer is obliged to provide a valid e-mail address and to report any changes without delay in order to ensure proper communication.
- We do not accept any liability for transmission errors or delays that are due to technical faults or incorrect information provided by the customer.

### IV. Prices and Delivery Clauses

- Price lists and other general price information are subject to change.
- Unless otherwise expressly agreed, our prices do not include packaging, loading, transport, postage, other shipping costs, insurance, taxes and customs duties.
- We reserve the right to make subsequent price changes if, after confirmation of the order, the prices of materials, wages or other cost factors change by more than 5% or if other circumstances arise for which we are not responsible and which make production more expensive. This regulation applies in particular to delivery periods of more than 3 months. The customer will be informed of the price adjustment without delay.
- Prices shall otherwise apply only to the respective individual order; fixed price agreements shall require express written agreement.
- The INCOTERMS 2020 shall apply for the interpretation of delivery clauses, e.g. "fob, cif, ex works".

### V. Molds and tools

- The customer shall bear the costs of the molds and tools manufactured by us or by a third party commissioned by us. The price for the molds and tools also includes one-time sampling costs, but not the costs for testing and processing devices or for changes initiated by the customer.
- We and the customer agree that – unless otherwise agreed – the customer shall become the owner of the molds and tools after payment of the costs. The handover of the molds and tools is replaced by our obligation to store them.
- We undertake – notwithstanding clause 6 – to use the molds and tools exclusively for the customer's orders.
- Irrespective of the customer's legal right to recover possession and of the lifespan of the molds and tools, we are entitled to exclusive possession of the molds and tools until an agreed minimum quantity has been accepted or until the contract has expired.
- The purchase price of a mold or tool ordered and paid for by the customer does not include the equivalent value of the know-how provided by us in the design and construction. This is to be remunerated by the customer in addition when the molds and tools are handed over.
- As long as the customer has not fulfilled his obligations to pay the costs of the forms and tools and/or is in default of acceptance and/or payment with regard to the molded parts delivered to him from the forms and with the tools, we have a right of retention on the forms and tools and are also entitled to continue to use the forms and tools as we wish until all claims against the customer have been settled, in particular by selling the molded parts produced from the form and with the tools; our obligation to use the forms and tools exclusively for the customer's orders therefore no longer applies. Insofar as the customer has industrial property rights to the molded parts, the customer grants us a free license for the manufacture and distribution of the molded parts for the duration of his default.
- We are obliged to store the molds and tools for the molded parts carefully and to maintain them for repeat orders from the customer. The storage obligation expires if the customer does not place any further orders for the molded parts within two years of the last delivery.
- We shall only be liable for the same level of care as we apply to our own affairs and not for any damage that occurs despite the proper handling of the molds and tools for the molded parts. Maintenance costs that become necessary due to normal mold use within the agreed service life shall be at our expense.
- As the owner of the molds and tools, the customer shall bear the risk of accidental loss of the molds and tools, as well as all costs of the necessary insurance for the molds and tools.
- If the retention obligation in Section 7 expires, we may request the customer to collect the molds and tools by setting a deadline. After the deadline, we are entitled to either store the molds and tools at the customer's expense or to scrap them. If we store the molds and tools beyond the two-year point, we are released from any liability with regard to the molds and tools.

### VI. Delivery

- Periods and deadlines for deliveries and services promised by us are always only approximate, unless a fixed period or a fixed deadline has been expressly promised or agreed. If shipment has been agreed, delivery periods and delivery dates refer to the time of handover to the freight forwarder, carrier or other third party commissioned with the transport.
- The delivery time that has been separately agreed as "binding" shall be deemed to have been met if notification of readiness for dispatch is provided in good time, if dispatch in good time is impossible through no fault of our own.
- We shall not be liable for the impossibility of delivery or for delays in delivery if these are due to force majeure or other events that could not be foreseen at the time of the conclusion of the contract (e.g. operational disruptions of any kind, difficulties in procuring materials or energy, transport delays, strikes, lawful lockouts, lack of labor, energy or raw materials, difficulties in procuring necessary official permits, official measures, pandemics, cyber attacks or the failure of suppliers to deliver, or to deliver correctly or on time) for which we are not responsible. If such events significantly impede our delivery or performance or make it impossible and the hindrance is not only of a temporary duration, we are entitled to withdraw from the contract. In the event of hindrances of a temporary duration, the delivery and performance periods shall be extended or postponed by the period of the hindrance plus a reasonable start-up period. The above provisions shall also apply if the aforementioned events occur at a time when we are in default.
- If the customer sets us a reasonable period of grace with a threat of refusal after we have already fallen behind schedule, he shall be entitled to withdraw from the contract after this period of grace has expired without result. Claims for damages shall be governed exclusively by Section XII.
- We are entitled to make partial deliveries if
  - the contractual partner can use the partial delivery for the intended contractual purpose,
  - delivery of the remaining ordered goods is ensured and
  - the contractual partner does not incur any unreasonable additional work or significant additional costs as a result.

Partial deliveries may not be rejected by the customer.

- If the customer has reserved the right to call off partial deliveries, then these must be called off at as regular intervals as possible and in good time to enable us to manufacture and deliver properly by the scheduled date. Unless otherwise agreed, parts ordered on call, for the manufacture of which we have purchased the necessary raw materials, must be accepted within 12 months of the order date.

### VII. Shipping and Transfer of Risk

- Risk shall pass to the customer upon dispatch when the goods leave our factory, even if we bear the costs of delivery and shipping, and even in the case of partial deliveries and deliveries under reservation of title. We shall only replace goods lost or damaged during transport on the basis of a new order, charging the currently valid prices.
- If shipment is delayed due to circumstances beyond our control, the risk shall pass to the customer upon notification of readiness for shipment, even before dispatch; however, we

shall take out insurance at the customer's expense, which shall be expressly requested in good time.

3. If the customer does not provide any special instructions, we may choose the transport route and means of transport at our discretion, but always at the customer's expense, without liability for the cheapest or fastest shipment.
4. Loaned packaging, specifically identified in the shipping documents, is to be returned immediately carriage paid; use for shipping to third parties is excluded.

## VIII. Export Control and Customs Regulations

1. We shall provide all deliveries and services in compliance with the applicable export control and customs regulations, in particular those of the European Union, Germany and the United States of America.
2. The customer shall comply with all applicable export control regulations, including EU and US regulations as well as any local export regulations. The customer warrants that it shall not supply any goods, technologies or services, directly or indirectly, to countries or persons that are subject to sanctions or export restrictions.
3. The fulfillment of the contract is subject to the proviso that there are no obstacles due to national or international regulations of foreign trade law and that there are no embargoes or other sanctions.
4. The customer is responsible for obtaining the necessary import licenses, the import process and the payment of all duties, taxes and levies, unless expressly agreed otherwise.
5. We shall not be liable for delays or non-performance of contractual obligations resulting from compliance with export control or customs regulations, unless we are responsible for them.

## IX. Sanctions under EU Regulation No. 833/2014 and similar provisions

1. The Purchaser shall not sell, export or re-export, directly or indirectly, any goods, technology or services that fall under Article 12g of EU Regulation No. 833/2014 or comparable national or international sanctions, to sanctioned regions or countries or for use in them.
2. The customer is obliged to take all reasonable measures to ensure that third parties in the supply chain do not circumvent the purpose of this regulation.
3. The obligations under this regulation apply to all current and future sanctions imposed by the European Union, the United Nations or other competent national or international authorities.

## X. Duty to examine and give notice of defects

1. The delivered goods shall be examined without undue delay after delivery to the customer or to a third party designated by it. The goods shall be deemed approved if we do not receive a written notification of obvious defects or other defects that were recognizable in an immediate, careful examination within seven working days after delivery of the item, or otherwise within seven working days after the discovery of the defect or the time at which the defect was recognizable to the customer in normal use without closer examination.
2. If the goods are to be picked up by the customer at our premises or at third-party premises, our notification that the goods are available for the customer to pick up shall be deemed the time of delivery.
3. At our request, the delivery item which is the subject of the complaint shall be returned to us carriage paid. If the complaint is justified, we shall reimburse the costs of the most favorable shipping method; this shall not apply if the costs increase because the delivery item is located at a place other than the place of intended use.

## XI. Warranty

1. All parts that prove to be unusable or significantly limited in their usability within the warranty period as a result of a circumstance occurring prior to the transfer of risk – in particular due to faulty design, poor materials or defective workmanship – shall, at our discretion, be repaired or replaced (subsequent performance). We shall be notified in writing and without delay upon discovery of such defects. Replaced parts shall become our property.
2. The customer shall give us the necessary time and opportunity to carry out all improvements and replacement deliveries; otherwise we shall be released from liability for the resulting consequences. The customer shall only be entitled to rectify the defect itself or have it rectified by third parties and demand reimbursement of the necessary expenses in urgent cases where operational safety is at risk or to avert disproportionately greater damage, provided that we have been notified in advance and have had the opportunity to take immediate action to avert the risk or damage ourselves.
3. Of the direct costs incurred by the subsequent performance, we shall bear – insofar as the complaint proves to be justified – the costs of the replacement part including shipping and reasonable costs of removal and installation, as well as, if this can be reasonably demanded in the individual case, the costs of any necessary provision of our fitters and assistants.

In any case, the costs that we assume in addition to the costs for the replacement part shall be limited to the amount of the costs of the replacement part.

4. The customer has the right to withdraw from the contract or to a reduction in the scope of the statutory provisions if we – taking into account the statutory exceptions – allow a reasonable period of time set for us for the rectification of defects or replacement delivery due to a material defect to elapse fruitlessly. If the defect is only insignificant, the customer is only entitled to a reduction in the contract price.
5. No warranty is provided in the event of inappropriate or improper use, faulty assembly or commissioning by the customer or third parties, natural wear and tear, faulty or negligent treatment, transport damage, improper maintenance, unsuitable operating materials, defective construction work, unsuitable building ground, chemical, electrochemical or electrical influences – insofar as they are not the responsibility of the supplier.

Customary tolerances with regard to dimensions, quantity, quality, color, etc. do not entitle the customer to make complaints. The same applies to defects that, depending on the type and manufacture of the goods, account for 1-5% of the delivery quantity. In terms of the nature of our products, only our product description is deemed to have been agreed. Public statements, recommendations or advertisements about our products do not constitute a contractual description of the nature of the goods. A reference to DIN standards includes a more detailed description of the goods, but does not constitute a guarantee.

Unauthorized modifications and improvements to the delivery item by the customer or by third parties that have not been expressly approved by us in writing will void all warranty claims.

Advice and information of any kind are provided without contractual obligation and without remuneration, to the best of our knowledge, but to the exclusion of any warranty and liability.

## XII. Liability

1. We shall only be liable for damages not occurring to the delivery item itself – for whatever legal reasons – in the event of intent, gross negligence on the part of the owner/bodies or executives, culpable injury to life, body, health, in the case of defects that he has fraudulently concealed or whose absence he has guaranteed and in the case of defects in the delivery item, insofar as liability is assumed under the Product Liability Act for personal injury or property damage to privately used items.
2. In the event of culpable violation of essential contractual obligations, we shall also be liable for gross negligence of non-senior employees and for slight negligence, in the latter case limited to reasonably foreseeable damage typical of the contract. Further claims are excluded.

## XIII. Limitation

1. All claims of the customer – on whatever legal grounds, including, in particular, warranty claims – shall become time-barred after 12 months. The statutory periods shall apply to intentional or fraudulent conduct and to claims under the Product Liability Act.

## XIV. Retention of title

1. The goods supplied remain our property as reserved goods until the payment has been made and all claims existing from the business relationship and the claims still arising in connection with the object of performance as well as all claims arising in the future have been settled. The inclusion of individual claims in a current invoice or the striking of a balance and its recognition do not cancel the retention of title. If our liability on a bill of exchange is established in connection with the payment of the fee by the customer, the retention of title does not expire before the customer, as the drawee, has honored the bill of exchange.

If the customer acts in breach of contract, in particular if the customer is in default of payment, we are entitled to take back the reserved goods after issuing a warning, and the customer is obliged to surrender them to us.

2. If the customer processes the reserved goods into a new movable item, the processing is carried out for us without any obligation arising for us from this; the new item becomes our property. If the goods are processed with goods that do not belong to us, we acquire co-ownership of the new item in the ratio of the value of the reserved goods to the other goods at the time of processing.

If goods subject to retention of title are combined, mixed or blended with goods not belonging to us in accordance with §§ 947, 948 BGB, we shall become co-owners in accordance with the statutory provisions. If the customer acquires sole ownership through combining, mixing or blending, he hereby transfers co-ownership to us in the ratio of the value of the reserved goods to the other goods at the time of combining, mixing or blending. In this case, the customer shall store the goods in which we have ownership or co-ownership, which shall also be deemed to be reserved goods within the meaning of the following provisions, free of charge.

3. If the customer sells goods subject to retention of title, either alone or together with goods not belonging to us, the customer hereby assigns the claims arising from the resale in the amount of the value of the goods subject to retention of title, together with all ancillary rights and priority over the rest; we accept the assignment. The value of the reserved goods is the amount of our invoice plus a security surcharge of 10%, which, however, is not applied if it is opposed by the rights of third parties. If the resold reserved goods are co-owned by us, the assignment of the claims extends to the amount corresponding to our share of the co-ownership.

Paragraph 1, clause 2 applies accordingly for the extended reservation of title, the advance assignment in accordance with paragraph 3, clauses 1 and 3 also extends to the balance claim.

4. If goods subject to retention of title are installed by the customer or by us on behalf of the customer as an essential component in the property of a third party, the customer hereby assigns the claims for remuneration arising against the third party or the party concerned in the amount of the value of the goods subject to retention of title, with all ancillary rights, including the right to be granted a security mortgage with priority over the rest. We accept the assignment. Paragraph 3, sentences 2 and 3 shall apply accordingly.

If the customer incorporates goods subject to retention of title into the customer's property as an essential component, the customer hereby assigns the claims arising from the commercial sale of the property or property rights in the amount of the value of the goods subject to retention of title with all ancillary rights and with priority over the rest; we accept the assignment. Paragraph 3, sentences 2 and 3 shall apply accordingly.

5. Bills of exchange received by the customer due to the assigned claim are hereby assigned to us. The customer shall hold the papers in custody for us.

6. The customer is only entitled and authorized to resell, use or install the reserved goods in the ordinary course of business and only on condition that the claims within the meaning of Section XI – Retention of Title – actually pass to us.

The customer must be informed of the retention of title and assignment to us. The customer is not entitled to dispose of the reserved goods in any other way, in particular by pledging them or assigning them as security. If the goods subject to retention of title or the assigned claims are seized, we must be informed immediately; the customer shall bear the costs of any intervention.

7. Subject to revocation, the customer is authorized to collect the claims assigned in accordance with paragraphs 3 and 4. We will not exercise our own collection authority as long as the customer meets his payment obligations, including those to third parties.

8. If the assigned claims are collected by us, the customer is obliged to fully cooperate with us in the collection process, in particular to create invoices, provide information and hand over documents, insofar as this is necessary for the collection.

9. The right to resell, use or install the reserved goods and the authorization to collect the assigned claims shall lapse upon suspension of payments, application for or opening of insolvency proceedings, or judicial or extrajudicial composition proceedings; the direct debit authorization shall also lapse in the event of a check or bill protest.

10. If the value of the securities granted exceeds the claims by more than 20%, we shall be obliged to reassign or release the securities at the customer's discretion. When all claims

arising from the business relationship have been settled, ownership of the reserved goods and the assigned claims shall pass to the customer.

## **XV. Payment terms**

1. Payments shall be made within 30 days of the invoice date without deduction.
2. The acceptance of bills of exchange or checks is at our discretion and only on account of payment and subject to possible discounting or redemption. No discount is granted on bills of exchange; expenses shall be borne by the customer. Notwithstanding the acceptance of bills of exchange and checks, we are entitled at any time to demand payment of the original claim against return of the bills of exchange or checks.
3. If payments are made later than agreed despite our claim being due or if they are deferred on the basis of a special agreement, interest will be charged for the intervening period at the interest rate customary in banking for current account credit lines, even if the conditions for default are not otherwise met.

If the customer is in default of payment or if his financial situation deteriorates significantly after conclusion of the contract, all our claims arising from the business relationship shall become due for immediate cash payment, even in the event of a deferral and even after we have accepted bills of exchange and checks. In addition, in this case, we are entitled to demand advance payment or the provision of security, as well as to withdraw from the contract after a reasonable period of grace or to claim damages for non-performance.

4. Complaints not expressly acknowledged by us in writing do not release the customer from the obligation to pay. The offsetting of counterclaims by the customer or the withholding of payments due to such claims is only permissible if the counterclaims are undisputed or have been legally established.

## **XVI. Assignment**

1. Claims arising from the purchase contract, including any warranty claims, may not be assigned to third parties without our express written consent.

## **XVII. Data protection**

1. We process the personal data of the customer exclusively within the framework of the applicable data protection laws, in particular the EU General Data Protection Regulation (GDPR).
2. The processing is carried out exclusively for the purpose of contract execution, the fulfillment of legal obligations, the processing of inquiries and, if expressly agreed, for sending information about our products and services.
3. Personal data will only be passed on to third parties if this is necessary for the execution of the contract (e.g. to logistics companies or payment service providers) or if the customer has given his consent.
4. Further information on the processing of personal data and on the rights of the customer (e.g. information, correction, deletion, restriction of processing) can be found in our data protection declaration, which is available on our website or will be sent on request.
5. The Purchaser is obliged to provide personal data of third parties that he makes available to the Seller (e.g. address data of a recipient) in accordance with the applicable data protection laws. The Purchaser shall indemnify the Seller against any claims by third parties that result from a breach of this obligation.

## **XVIII. Place of Performance, Place of Jurisdiction and Applicable Law**

1. The place of performance for all deliveries, services and payments of both parties is Eisenbach/Schwarzwald, as far as legally permissible.
2. The place of jurisdiction, also for actions on bills of exchange and checks, is, as far as legally permissible, the district court in Titisee-Neustadt or the district court in Freiburg i.Br. However, we are also entitled to sue the customer at his local court.
3. The contractual relationships are subject exclusively to German law, even in the event that the customer is a foreigner or has its registered office abroad. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.