

I. Definitive terms and conditions, Conclusion of contracts

1. The following Terms and Conditions apply exclusively for our deliveries and services to businesspeople (Art. 14 German Civil Code [BGB]). Contradictory terms and conditions of procurement will not be legally valid, even if we do not expressly object to them. By placing an order and/or taking delivery the customer is recognising our Terms and Conditions.
2. Orders will become binding for us when confirmed in writing. All agreements and amendments, supplements or other side agreements – including those concluded with our representatives – must be confirmed in writing to be valid.

II. Quotations, Cost estimates, Prices, Reservation of right to alter prices

1. Our quotations and cost estimates as well as the information, prices and delivery options stated in our catalogues, price lists, etc. are subject to change and non-binding.
2. Our prices are quoted in EUR, ex our works and subject to the relevant rate of value added tax. They do not include packaging, freight, customs duties and insurance, each of which will be charged separately where applicable.
3. All orders which, as per the contract or at the customer's request, are delivered more than four months following placement – including on-call orders and successive delivery contracts – will entitle us to pass on any increases in material and wage costs which occur between conclusion of the contract and delivery within the scope of, and to compensate for, these price increases.

III. Shipment, Packaging, Costs, Transfer of risk, Higher/ lower quantities

1. Shipment will always be at the customer's cost and risk, even if free, CIF, FOB deliveries, etc. have been agreed. We will not be liable for damages or losses during transport, also in the case of freight-paid deliveries. Unless otherwise agreed we will select the type of packaging and shipment.
2. Should shipment be delayed due to circumstances for which we are not responsible, then the risk will be transferred to the customer on the date on which readiness for shipment is notified.
3. In the case of deliveries made free on board (FOB) the customer must ensure timely, exact shipping authorisation as well as timely provision of the required shipping space on the quay and that the goods can be immediately sent on after arriving at the port of loading. Should the customer not fulfil these conditions, then he will be obliged to pay for the goods before they have been placed on board the ship. The goods will then be stored at his cost and risk.
4. Delivered quantities may deviate from the confirmed quantities by plus / minus 10 %. The actual quantity will be invoiced.

IV. Terms of payment and consequences of failure to fulfil obligations, offsetting and right of retention

1. Our claims will be payable in euros and excluding postage and expenses within thirty days of receipt of our invoice or an equivalent receivables list. They will be payable at the latest thirty days after the due date and receipt of the goods or services. After this date we will charge an annual rate of interest equivalent to 8 percentage points over the base interest rate, commencing on the date on which default occurred.
2. In the case of bills of exchange and cheques, payment will only be deemed to have been made after the document has been honoured. Discounts and expenses will be borne by the customer.
3. We will only accept bills of exchange and cheques on account of performance; bills of exchange will only be accepted by special arrangement. Independent of the term of any bills of exchange which have been accepted or any deferral which has been granted, our claims will be due immediately if the customer fails to comply with our terms of payment or circumstances become known to us which give grounds to doubt his creditworthiness. In such cases we will, furthermore, be entitled to only make deliveries against payment in advance or provision of a security or, following a reasonable period of grace, to withdraw from the contract and / or demand damages.
4. We will be entitled to offset payments made by the customer against outstanding older claims, irrespective of the purpose of such payments.
5. The customer may only offset our claims against undisputed or legally established counterclaims. Any right of retention is excluded unless the counterclaim is undisputed; has been legally established or is ready for legal judgement.

V. Delivery deadlines, Liability provisions, Partial deliveries

1. The delivery period will commence as soon as all details regarding execution have been clarified; both sides have agreed on all terms and conditions of the transaction and the customer has paid any deposit which may have been agreed. Delivery deadlines will be deemed to have been complied with if the delivered item leaves the factory before the deadline expires or the customer has been notified of readiness for dispatch.
2. Should, for a reason for which we are responsible, our delivery not be made on time and also not within a period of grace to be set by the customer, then the customer will be entitled to withdraw from the relevant delivery. The customer will also be obliged to set a period of grace if the delivery deadline has been, or can be, determined on a calendar basis.
3. The provisions of Section VII. below will apply for any claims for damages arising from delayed performance or default instead of performance.
4. Force majeure or circumstances for which we are not responsible (e.g. interruptions of operation, strikes) and prevent execution of the order on time will entitle us to postpone performance of obligations which we have accepted by a reasonable period of time or, if the circumstances make it impossible for us to perform the service, to withdraw from the contract in full or in part. The same will apply if, for reasons for which we are not responsible, our suppliers fail to provide materials which we have ordered from them and are required to execute the order, or if delivery of these materials is delayed. The precondition for withdrawal will be that we inform the customer without delay regarding the unavailability and that we refund the customer for any possible quid pro quo services provided for the service which cannot be performed. Claims for damages of any kind are excluded.
5. Partial deliveries will be permissible.

VI. Notification of defects, Claims for defects, Liability provision

1. In the case of a reciprocal commercial transaction the customer must, in accordance with Art. 377 German Commercial Code (HGB) and within the orderly course of business, inspect the delivered goods without delay upon receipt and, should there be a visible defect, notify us regarding this without delay in writing or electronic text form. The customer must notify us regarding defects which were not recognisable during this inspection without delay in writing or electronic text form upon their discovery.
2. Where notification of a defect is justified we will be obliged to rectify the defect free of charge or, at our discretion, to supply a substitute. In the case of sales to private consumers (Art. 13 German Civil Code [BGB]) the consumer will be entitled to select the option. Should, despite two attempts, rectification or substitute delivery fail or we refuse it without justifiable cause or delay it for an unreasonable period of time, then the customer will, at his discretion, be entitled to reduce payment or, as long as the object of the liability for defects is not building work, to demand annulment of the contract.
3. The provisions in Section VII below will apply for claims for damages.
4. There will be no claim for defect if the fault is attributable to failure to follow operating, maintenance or installation instructions; unsuitable or improper use; defective or negligent handling by the customer; natural wear and tear or intervention in the delivery item by the customer or a third party.

VII. Liability for damages (restriction, exclusion)

1. Should we breach material contractual obligations – i.e. key obligations whose fulfilment is required to make orderly performance of the contract possible and which the customer can expect to be complied with, then we will also be liable. In the case of mild negligence, however, possible claims for compensation will be limited to damages which were foreseeable and typical for this type of contract at the time of its conclusion. We will also be liable for any type of negligence when making sales to a private consumer.
2. For the rest, insofar as no material contractual obligations have been breached and subject to Item 4 below, our liability for damages, for whatever legal reason, also including impermissible acts insofar as they involve culpability, will be limited to damages resulting from grossly negligent breaches of obligation on our part or from intentional or grossly negligent breaches of obligation on the part of our legal representatives or vicarious agents. Indirect damages or damages resulting from defects in the delivery item will only be eligible for compensation insofar as such damages can typically be expected when the delivered item is used for its intended purpose. In the case of damages which are generally and typically insurable within the scope of liability insurance which we can take out at reasonable terms, we will also be liable for mild negligence, however, our liability in such cases will be limited to EUR 500 000 (in words: five hundred thousand euros).

3. The above-mentioned exclusions and restrictions of liability will apply to the same extent for our organs; legal representatives; employees and other vicarious agents.
4. The above-mentioned exclusions and restrictions of liability will not apply to claims for damages arising from injury to life, limb or health caused by grossly negligent breaches of obligation on our part or by intentional or grossly negligent breaches of obligation by our legal representatives or vicarious agents. Equally, claims arising from a guarantee or in accordance with the German Product Liability Act (ProdHaftG) will remain unaffected.

VIII. Statutory limitation periods

1. Claims for defects will expire within one year of handing over of the delivery to the customer. In the case of statutory suspension or re-commencement of the limitation period, this deadline will be extended by the corresponding period.
2. With the exception of the above, claims for defects will expire within the statutory period of limitation
 - In the case of intentional, grossly negligent or fraudulent breaches of obligation by us, our legal representatives or our vicarious agents;
 - In the case of damages arising from injury to life, limb or health caused by negligent breaches of obligation on our part or by intentional or negligent breaches of obligation by our legal representatives or vicarious agents;
 - In the case of claims arising from a guarantee regarding the characteristics of the item;
 - In the case of direct sales to a private consumer;
 - If we are obliged to reimburse the costs which the customer must bear vis-à-vis a private consumer and / or a subcontractor in the delivery chain relating to the sale of a new item for the purpose of rectification (Art. 445 b BGB);
 - If an item delivered by us has, in line with its normal manner of use, been used for a building and caused the building's defectiveness and the overall contractual relationship is not based on Part B of the German Construction Tendering and Contract Regulations (VOB).
3. Insofar as we are subject to liability regarding damages which are generally and typically insurable within the scope of liability insurance which we can take out at reasonable terms, the statute of limitations will be one year from the occurrence of the damages and the injured party becoming aware of them or the injured party's grossly negligent ignorance.

IX. Property rights in connection with customer specifications, samples and approval

1. Should we manufacture and deliver items in accordance with special specifications and / or customer's drawings, then the customer will be responsible for their correctness and completeness as well as for ensuring that no third-party property rights are infringed. He must indemnify us against all possible claims made by a holder of protective rights. This will also apply to claims for damages unless the customer can prove that he is not responsible for the breach of obligation.
2. Should we provide the customer with samples for inspection and he approves them for his orders, then he cannot object that items manufactured in line with such samples do not correspond to his order or are not fit for purpose.

X. Tools, models, drawings, etc. (remuneration, ownership)

1. The customer will be charged for tools, dies, models and devices which must be manufactured in order to produce product / item orders or which are manufactured at his request. Insofar as nothing else has been agreed in writing, the charges for these items will be at usual, reasonable rates. An explicit agreement will be required to carry out amortisation via the unit price.
2. In order to safeguard our know-how, the above-mentioned items will remain our property and in our possession, even if the customer has paid the full fee for them.

XI. Retention of title

- a) We will reserve ownership of the delivered item (reserved goods) until all our claims against the customer arising from the business relationship, including claims which arise in the future, as well as within the scope of contracts which are concluded simultaneously or subsequently have been met. In the case of open invoices reservation of ownership and all rights will serve as securities for our overall balance claim, including interest and costs.

The customer must inform us without delay regarding any seizures or other action by third parties.

- b) The customer will be authorised to process and sell the delivered item within the course of orderly business. This authorisation will be withdrawn if the customer defaults on payment; suspends payments or an application is made for initiation of insolvency proceedings (safeguarding / enforcement event). When selling on the reserved item he will be obliged to do so under retention of title and to ensure that claims arising from selling on as per Item e) below are assigned to us. Use of the reserved goods to perform contracts for work or for work and materials will also be deemed to be selling on. The customer will not be authorised to dispose of the reserved goods in any other manner, in particular as pledges or security transfers.

Assignment of claims arising from selling on of our reserved goods will only be permitted if this assignment takes place within the scope of genuine factoring which is notified to us and generates revenue exceeding the value of our secured claims. Our claim will become payable immediately upon crediting of the factoring revenue.

- c) Processing of reserved goods will not result in the customer acquiring ownership of the new item in accordance with Art. 950 BGB. Processing or transformation will be carried out on our behalf and without us incurring any obligation. Processed and transformed goods will be deemed to be reserved goods.
- d) In the case of processing, combination or mixing of the reserved goods with other goods we will be entitled to co-ownership of the new item in proportion to the invoice value of the reserved goods in relation to the other items used. Should our ownership expire as a result of combination, mixing or processing, then the customer herewith assigns the ownership and expectancy rights to the new product or item to which he is entitled to us to the extent of the invoice value of the reserved goods and, should the goods have been processed, in proportion to the invoice value of the reserved goods in relation to the other items used, and will store them for us free of charge. Our co-ownership rights will be deemed to be reserved goods.
- e) The customer's claims arising from selling on of the reserved goods are herewith assigned to us as collateral. They will serve as collateral to the same extent as the reserved goods. Should the customer sell on the reserved goods together with other goods, then the claim arising from this selling on will be assigned to us in proportion to the invoice value of the reserved goods in relation to the invoice value of the other items. When selling on goods in which we hold a co-ownership share as per Item d) above, we will be assigned a share of the claims which corresponds to our co-ownership share. Other claims which take the place of the reserved goods or otherwise arise with regard to the reserved goods, such as insurance claims; claims arising from breach of obligation and unlawful acts, will also be assigned. The customer will be revocably authorised to collect claims which have been assigned to us himself. We may withdraw the collection authorisation should a safeguarding / enforcement event occur.
- f) The customer will authorise us to inform buyers regarding assignment as soon as the safeguarding / enforcement event occurs and to collect the claims. We may demand that our representative is allowed to verify the amount of the assigned claims, using the customer's accounting as the basis for this verification. The customer must submit a list of the remaining reserved goods to us and provide us with all the information required to assert the assigned claims, including a list of his claims arising from selling on of the reserved goods with the names and addresses of the buyers.
- g) Should the value of the existing securities exceed the secured claims by more than 10 % in total, then we will, at the customer's demand, be obliged to release the securities of our choice to this extent and take the customer's interests into account when doing so. In the case of simple and subsequent retention of title the value of the securities will be deemed to be the invoice value at which the customer has purchased the goods from us; in the case of extended retention of title, it will be the invoice value at which the customer sells on our goods, in each case with a valuation discount of one-third of the purchase price respectively of the nominal value of the assigned claims.
- h) In the case of cheques or other means of payment, payment will only be deemed to have been made following secured redemption by the customer. We will only accept cheques on account of performance. Payments which are made against provision of a cheque or other means of payment will only be deemed to have been made if recourse to us has been excluded. The securities which have been granted to us will remain in place until this time, irrespective of our further lien rights.
- i) Retention of title will entitle us to demand the return of the delivery item if we withdraw from the contract. We will be entitled to withdraw regardless of the further provisions of Art. 323 BGB, in particular without setting a deadline, from the time at which the customer is in complete or partial default of payment. The same will apply if the customer ceases to make payments or if an application is made to initiate insolvency proceedings against his assets. The customer will bear all costs incurred within the scope of repossession of the delivered item. We will be entitled to freely realise the value of the repossessed delivered item by sale on the open market.



Form

General Terms and Conditions of Sale and Delivery of
KRAH Elektronische Bauelemente GmbH

Element: F07-1-1e
Index: 1
Current as of: June 2022
Page 5 of 5

XII. Place of fulfilment, Place of jurisdiction, Applicable law

1. The place of fulfilment will be the location of our registered offices.
2. In the case of contracts with businesspeople, legal entities under public law or special funds under public law the place of jurisdiction will be at the court with jurisdiction over our registered offices. We reserve the right to sue the customer before the court with jurisdiction over his registered offices.
3. All shipments and services will be subject to German law, with the exception of the United Nations Convention on Contracts for the International Sale of Goods (CISG). In the case of cross-border shipments and services to customers who do not have registered offices, an affiliated company or a branch office in Germany, the CISG will apply.

XIII. Severability clause

Should provisions of these Terms and Conditions and / or any additional agreements be or become invalid, then this will not affect the validity of the remaining provisions of the contract. The contracting parties will be obliged to replace the invalid provisions with a regulation which comes as close as possible to the commercial success of the invalid provisions.