



1. Scope, exclusivity

1.1. These purchasing conditions shall apply to all purchase orders/purchases and other orders unless otherwise agreed on an individual basis.

1.2. Contradictory or different terms and conditions of the supplier shall not be accepted by FRAKO, even if they have not been expressly objected to on a case-by-base basis.

2. Order placement and acceptance

2.1. All orders (purchase orders and acceptance, i.e. order confirmations) as well as delivery schedules and service requests including changes and amendments need to be made in writing (by letter, fax or e-mail).

2.2. If FRAKO has not received an order confirmation within 5 days of order date, FRAKO shall have the right to revoke the purchase order without any claims deriving from it for the supplier.

3. Delivery dates and delayed delivery

3.1. The delivery dates agreed in the contractual parts (purchase order, order confirmation) shall be observed under all circumstances.

FRAKO shall have the right to ask the supplier to make changes to the object of the delivery or service in terms of design and finish to a reasonable extent. Any additional or reduced costs resulting therefrom shall be considered based on the supplier's order calculation; the supplier shall be obliged to disclose the order calculation including proof. The supplier shall inform FRAKO without delay of any delays caused by the changes.

3.2. As soon as the supplier recognizes that the delivery date cannot be met, he shall be obliged to inform FRAKO immediately in writing, stating the reasons and the expected duration of the delay.

3.3. In the case of delayed delivery, FRAKO shall be entitled to statutory claims without limitation.

3.4. Irrespective of the foregoing, FRAKO shall have the right to claim 0.5 percent of the net order amount from the supplier for every complete week of delay from the time of the delay taking effect, subject to proof of more extensive damage; the claim shall, however, not exceed 10 percent of the net order amount. The supplier shall have the right to prove that in fact no damage, or considerably less damage, was incurred by FRAKO. The possibility of FRAKO supplying proof of damage exceeding the lump sum stated in sentence 1 shall not be excluded by this.

4. Place of performance, delivery

4.1. The place of performance shall be Teningen or the receiving agency named by FRAKO.

4.2. The delivery shall be made at the expense and risk of the supplier. The risk shall not pass to FRAKO until acceptance at the destination.

If the supplier has its headquarters outside of Germany, but within the European Union (EU), delivery shall be DUU, Delivered Duty Unpaid, ex works Teningen (Incoterms 2000). If the supplier has its headquarters outside of the EU, DDP, Delivered Duty Paid, Teningen shall apply (Incoterms 2000).

4.3. The supplier shall package the goods thoroughly at its own expense. If the supplier takes the packaging back, this shall constitute an obligation to be performed at the place of business of the debtor.

4.4. Partial deliveries are inadmissible unless we expressly agree.

5. Prices and payments

5.1. Unless otherwise stated, the prices shown in the purchase order shall be fixed prices including packaging, delivery free to destination.

5.2. Invoices which do not contain the complete order data (order number, order date) of FRAKO shall be deemed not placed until clarification or correction by the supplier.

5.3. Unless otherwise agreed, payments shall be made – at our discretion – either deducting a 3% discount if payment is made within fourteen days from delivery and receipt of an invoice according to section 5.2, or without deductions within 30 days of receiving an invoice according to section 5.2, but no sooner than the goods having been received.

6. Provision

Models, samples, drafts, drawings etc., as well as know-how information (collectively: provisions), which FRAKO provides to the supplier for use or which the supplier has made according to information provided, shall remain, or become our property; the supplier shall treat them as secret and confidential, and shall not make them accessible to third parties without our prior written consent, nor may they be used outside of the scope of carrying out our order. The supplier shall ensure that neither its staff nor third parties commissioned by it shall pass on such information without authorization, and shall take all reasonable precautions in order to avoid such information being passed on.

Unless otherwise agreed, the supplier shall return such provisions immediately upon having carried out the purchase order, or in the case of delayed delivery, cessation of payment or insolvency, including all copies. There shall be no right of retention.

7. Quality and documentation

7.1. The supplier shall observe all agreed technical data, the code of practice, and the applicable directives and regulations, in particular Directives 2011/65/EU (RoHS), 2006/95/EC (Low Voltage Directive) and 2004/108/EC (electromagnetic compatibility), the VDE standards and Regulation (EC) 1907/2006 (REACH). Changes to the object of delivery and performance shall require our prior written consent. The supplier shall consistently check the quality of the objects of delivery and performance. The contracting parties shall inform each other without being asked about the possibilities for improving quality.

7.2. At our request, the supplier shall record in a special document when, how and by whom the object of delivery and performance was checked and what the results of the quality assurance test were. The test documentation shall be archived for 6 years and made available to us at our request. The supplier shall oblige previous suppliers to the same extent within the scope of legal regulations.

7.3. Deliveries and services shall be provided separately by batch.

8. Warranty

8.1. In as far as FRAKO has the right to claim for the remedy of a defect, FRAKO has the right – at our own discretion – to choose between cure of defects and substitute delivery. The supplier shall have the right to remedy no more than twice.

Additionally, the supplier shall be obliged to bear the expenses of remedying the defect, in particular expenses related to transport, transport infrastructure, labour and material costs. This shall also apply if such costs increase due to the goods being delivered to a destination different to the place of performance according to section 4, unless this is unreasonable. The substitute delivery shall also include the free dismantling and removal of the faulty product and the free installation of the products provided as a substitute. In the case of defect or consequential damage culpably caused by the supplier, the supplier shall free FRAKO from any third-party claims, in particular from claims arising from product liability including the costs of any legally required recall. This shall apply accordingly if the supplier has given a guarantee. In urgent cases or once a reasonable grace period has passed without success, FRAKO shall have the right – after informing the supplier – to carry out the remedy of the defect on its own, have it carried out by a third party or to procure replacement in some other way, at the supplier's expense.

8.2. The obligation to inspect incoming goods shall not start until the goods have been received by FRAKO, or by the receiving agency name by FRAKO with delivery note or packing slip. The inspection of incoming goods shall be carried out by FRAKO only with regard to visible damage and obvious deviations from the ordered identity and quantity. FRAKO shall lodge any complaint concerning such defect within five working days starting from the working day following the day the goods were received. FRAKO reserves the right to carry out further inspections of incoming goods. Furthermore, FRAKO shall lodge any complaint concerning hidden defects within two weeks, as soon as they have been identified in the ordinary course of business (in particular if they are processed or put to use). As far as that goes, the supplier shall waive the right to object to late notification of defect.

8.3. Our claims under warranty shall expire after three years. In those cases in which the delivered goods were used for a building in accordance with their usual use, and have caused a defect of that building, the limitation period shall be five years. The limitation period shall start when the product is delivered to the Teningen site or to the receiving agency named by us.

The notice of defects shall suspend the continuation of the expiry of the limitation period for the warranty, unless the supplier refuses to negotiate about the claim.

8.4. In cases of force majeure or other events such as interruptions of operations or industrial disputes or stagnation of sales for which we are not responsible, the acceptance of supplies or services may be postponed by up to 6 months; in such cases, no claims for damages or costs of storage can be made. If adhering to the order is unconscionable for us or the supplier, the parties shall have the right to withdraw from the contract.

8.5. Staff and vicarious agents of our suppliers present at one of our sites for the purpose of fulfilling the delivery and service provision obligations shall be subject to the relevant work regulations or operating instructions which shall be provided for inspection upon request.

9. Insurance

9.1. The supplier shall secure all provisions against unauthorised access or use, and shall insure them against the usual risks such as fire, vandalism and theft at his own expense.

9.2. The supplier shall purchase a product liability insurance cover of at least € 1,000,000.00 per case, covering both the cause and the amount of typically predictable damage to

property or persons, and shall provide FRAKO with a valid insurance document, as well as maintain such insurance until the order has been accepted. If a document according to section 9.2 is not provided within two weeks of the order having been placed, FRAKO shall have the right, after having given a further week's notice, to terminate the order for cause.

10. Protective rights

10.1. The supplier shall assure to the best of its knowledge that the use of the supplied goods does not violate any protective rights, such as patents, utility models, other rights or business or company secrets of third parties – also in the country of use – provided such rights exist in Germany. The supplier shall free FRAKO from any third-party claims and shall pay for any costs arising in connection therewith.

10.2. The supplier shall not be liable if it produces goods exclusively based on our drawings and models, and if it did not know, or did not have to know, that the production of such goods violated third-party rights.

11. Set-off, right of retention

11.1. The supplier may only set off against claims recognised by FRAKO, undisputed claims, or claims conclusively determined through a court ruling.

11.2. The right of retention shall only be due to the supplier with respect to claims recognised by FRAKO, undisputed claims, or claims conclusively determined through a court ruling. This shall apply accordingly for the plea of fulfilment of the contract.

12. Retention of title

We accept the supplier's simple retention of title. The title to the delivered goods shall be transferred to FRAKO once the due payment of the purchase order has been made in full. Any extended or expanded retention of title for the supplier shall be excluded.

13. Place of jurisdiction und governing law

The place of jurisdiction shall be the court responsible for our registered office. However, we also have the right to call upon the court responsible of our supplier.

The contract is subject to German substantive and procedural law.