



General Terms and Conditions of Sale and Delivery for Commercial Customers

I. General

These General Terms and Conditions of Sale and Delivery for Commercial Customers apply exclusively to the entire business relationship between FRENCH GMBH and the customer. Any other Buying Conditions or other General Terms and Conditions of the Customer are hereby rejected. They are inapplicable.

Should there be a framework agreement in place between the customer and FRENCH GMBH, these General Terms and Conditions of Sale and Delivery apply to both this framework agreement and to the individual order. FRENCH GMBH is entitled, after providing appropriate notification of such, to change their General Terms of Sale and Delivery applicable to the future business relationship with the Customer.

II. Conclusion of the contract

1. Any offers made by FRENCH GMBH are without obligation and are non-binding unless they are indicated as binding or contain a specific period for acceptance. The documents belonging to the offer such as images, drawings, weights and dimensions are considered only approximate unless they have been explicitly termed binding.

2. The written confirmation of FRENCH GMBH is exclusively binding for the contents of orders and agreements unless the Customer promptly submits a written contradiction of such. This applies in particular to orders and agreements made verbally and by telephone. Verbal additions and subsidiary agreements to a contract must be made in writing to be effective.

3. Information pertaining to certain quality characteristics of the purchased item or a specific usability of the purchased item are only agreed in a binding manner if they are expressly indicated as such in the contract. Specimens, samples, dimensions, DIN/EN specifications, product specification and other information pertaining to the qualities of the delivery item serve the purpose of specification and do not contain any guarantee. If the delivered item is specified, this only guarantees compliance with the specification and not the suitability of the item for a specific purpose. With regard to pieces of advice pertaining to the usability of the purchased item, FRENCH GMBH is only liable in the event of clearly recognisable unsuitability.

4. FRENCH GMBH reserves the right to the ownership or copyright of all offers and cost estimates it makes, and to all drawings, images, calculations, brochures, catalogues, models, tools and other documents and aids made available to the Customer. The Customer may not make these objects available to third parties without the express permission of FRENCH GMBH either as such or with regard to their contents, to publish them, to use or reproduce them either themselves or by third parties. Upon a request to do so by FRENCH GMBH, the Customer must return them in full and must destroy any copies made if they are not required during the course of normal business or if negotiations do not result in the conclusion of a contract. The exception to this is the storage of data provided electronically with the purpose of the usual data protection standards.

III. Delivery date, scope of the delivery, delay in delivery and non-performance

1. FRENCH GMBH is only entitled to make partial deliveries if

- The partial delivery is usable for the Customer within the framework of the contractually agreed purpose,
- The delivery of the rest of the ordered goods is guaranteed, and
- No considerable additional expenditure or additional costs arise for the Customer (unless FRENCH GMBH agrees to liability for these costs).

2. Delivery dates and periods are approximate unless FRENCH GMBH has expressly provided written confirmation that the agreed date is binding. In the event of all details of the order not being

clarified by the Customer in good time and of all advance payments not being made by the Customer in good time, the delivery periods are extended accordingly. In the event of delays to delivery caused by interruptions of operations, official measures, the non-delivery or defective delivery of subcontracted supplies to FRENCH GMBH or force majeure, the delivery period is extended accordingly. Force majeure also applies to labour dispute measures, including strikes and legal lock-outs at the premises of FRENCH GMBH or at the premises of the suppliers of FRENCH GMBH. The delivery dates are complied with upon notification of the readiness for dispatch by FRENCH GMBH.

3. In the event of exceeding the appropriate delivery dates or periods by more than six weeks, the Customer is entitled to request in writing delivery by FRENCH GMBH and to set an appropriate extension. Following expiry of this extension, the Customer is entitled to withdraw from the contract. For its part, FRENCH GMBH is entitled to withdraw from the contract if the delivery obstacles for which they are not responsible occur on not only a temporary basis. Moreover, FRENCH GMBH is entitled to withdraw from the contract if, upon the expiry of a deadline set by them, the Customer does not clarify within an appropriate deadline set by FRENCH GMBH, whether the Customer further requests performance or if the Customer wishes to withdraw from the contract. In the event of withdrawal from the contract by FRENCH GMBH, the Customer is entitled to return any partial deliveries to FRENCH GMBH if they can furnish evidence of a justified interest in the rejection of the partial delivery. Further-reaching claims, in particular claims for damages, are excluded according to the regulations of Section VII (General Liability Limitations).

4. The Customer is obliged to accept the delivery item as agreed. Unless otherwise agreed, notification of the readiness for dispatch suffices as the justification for the acceptance obligation. FRENCH GMBH is entitled to offer the service ahead of the non-binding agreed delivery date, unless the delivery has become limited in time in the interest of the Customer.

IV. Prices, terms and conditions of payment

1. Prices do not include VAT, loading, freight, customs, packaging, insurance and other expenses.

2. FRENCH GMBH reserves the right to adapt the agreed price of the subject matter of the contract if more than four months elapse between the order and the scheduled delivery and, in the meantime, expenses for wages and supplier parts have changed considerably.

3. FRENCH GMBH can make the delivery of the subject matter of the contract dependent on the receipt of an advance payment or the provision of a security. Otherwise, unless agreed otherwise, payments are due at the time of readiness for dispatch of the goods and receipt of the invoice. Invoices must be paid within 10 days of the date of invoice at a 2% discount for early payment or within 30 days net. FRENCH GMBH is not obliged to accept cheques or bills of exchange. Upon acceptance of a cheque or bill of exchange, the payment is only considered made upon the cashing of such or the unconditional crediting of the amount of the payment to a bank account of FRENCH GMBH.

4. Offsetting against a counterclaim is only permissible if the affected counterclaim has been legally ascertained, is not disputed or has been recognised by FRENCH GMBH. The assertion of rights to retain due to a claim not based on the same contractual relationship is excluded.

V. Passage of risk, acceptance, transportation

1. FRENCH GMBH delivers ex works via the transportation route of their choice unless the Customer picks up or has picked up the goods. If FRENCH GMBH concludes transportation contracts, this is at the expense of the Customer. The passage of risk is passed to



General Terms and Conditions of Sale and Delivery for Commercial Customers

the Customer at the start of the loading or with the dispatch of the subject matter of the contract. It is the responsibility of the Customer to take out insurance on the transported goods.

2. If the dispatch is delayed due to reasons caused by the Customer, the passage of risk is passed to the Customer on the day of the notification of readiness for dispatch.

3. Upon receipt of the subject matter of the contract, the Customer is obliged to inspect such for any defects or damage in transport. Notification of any damage in transport is to be submitted to FRENCH GMBH and the haulier immediately and such damage is to be noted on the freight documents of the haulier. If, according to the contractual or legal regulations applicable to the transportation of the subject matter of the contract, they are entitled to do so, the Customer is to assert damage in transport towards the haulier both out of court and in court.

4. Otherwise, the regulations of § 377 of the HGB (Commercial Code) apply if the Customer is a businessman.

VI. Guarantee

1. Defects of title

a. FRENCH GMBH guarantees that, in the country of the destination, the subject matter of the contract is free of the rights obstructing the purpose of the contract, in particular the industrial property protection rights of third parties, if the contractually agreed or foreseeable use of the subject matter of the contract is sufficient. If the Customer makes specific demands on the design of the product, they are solely responsible for ensuring that these requirements do not violate the industrial property protection rights of any third parties. The same applies if the Customer or other persons in the supply chain use, change or combine with other objects the subject matter of the contract in neither a contractually agreed nor a foreseeable manner.

b. If a third party justifiably asserts an industrial property protection right, FRENCH GMBH is to provide subsequent performance by, at their discretion and at their expense, acquiring a right of use for the subject matter of the contract or by changing the subject matter of the contract such that the property protection right is no longer being violated.

c. The Customer is obliged to immediately notify FRENCH GMBH about the claims being asserted by a third party, to not acknowledge a violation towards the third party, and to disclose to FRENCH GMBH all defensive measures and options for a settlement towards the third party. If the Customer discontinues the use of the subject matter of the contract for duty to avert, minimise or mitigate loss or other important reasons, they are obliged to notify the third party that, by discontinuing use, this does not amount to the recognition of a violation of the property protection right. The Customer is further obliged to impose this obligation on their customers. The guarantee is excluded if the Customer or further persons in the supply chain has or have prevented subsequent performance by violating these obligations.

d. In the event of violations of rights by products from other manufacturers delivered by FRENCH GMBH, FRENCH GMBH will, at its discretion, either pass on their claims against the manufacturers and suppliers to the Customer or assert such claims at the expense of the Customer. In these cases, claims against FRENCH GMBH only exist if the legal enforcement of the aforementioned claims against the manufacturers and suppliers were unsuccessful or if, for instance due to insolvency, do not stand any reasonable chance of success.

2. Material defects:

a. FRENCH GMBH guarantees that the subject matter of the contract complies with the contractually agreed or specified quality characteristics and the state-of-the-art with regard to safety and technology as defined by the regulations applicable in the European Union. FRENCH GMBH only guarantees compliance with the technical regulations of states outside of the European Union if

these regulations are named by the Customer before conclusion of the contract and if they are inspected by FRENCH GMBH and are acknowledged in writing as a component of the contract. The contractually agreed tolerances apply to deviations to services and dimensions. Minor deviations to the external appearance (form, colour) of the goods from that of the samples or similar products from a different production run do not amount to defects. FRENCH GMBH can reject the guarantee for co-delivered lights or lights installed in the goods if they transfer their claims for these lights towards the supplier to the Customer and they transfer the Customer the contractual data which the Customer needs for asserting the transferred claims.

b. In the event of material defects to the delivered objects, FRENCH GMBH is obliged and entitled to, initially, rework or provide a substitute delivery of such within an appropriate deadline. In the event of failure, i.e. impossibility, unreasonableness, refusal or inappropriate delay to the rework or substitute delivery, the Customer can withdraw from the contract or can reduce the purchase price accordingly. The Customer has to dispatch the goods at the expense of FRENCH GMBH to a destination specified by them. The acceptance of the costs is excluded if they are based on the purchase item being dispatched to a destination other than the contractually specified destination.

c. In the event of defects to components by other manufacturers which the FRENCH GMBH cannot rectify due to licensing rights or factual reasons, the FRENCH GMBH can, at their discretion, assert their rights against the manufacturers and suppliers at the expense of the Client or can transfer them to the Client. In the event of this type of defect, guarantee claims asserted against the FRENCH GMBH only apply under special conditions and in accordance with these General Terms and Conditions of Delivery if the legal enforcement of the aforementioned claims against the manufacturer or supplier was unsuccessful or, such as due to insolvency, have no reasonable chance of success. The statute of limitations of the affected guarantee claims of the Client against the FRENCH GMBH are blocked for the duration of the legal dispute.

d. If the Customer finds a defect, they are not entitled to modify, process or hand over to a third party the delivery item. Instead, FRENCH GMBH must be granted sufficient opportunity and time to confirm the defect and, if necessary to perform the post-performance required (rework or replacement delivery). Independent of the existence of a defect, the claims for liability for defects expire if modifications or repairs are made by the Customer or a third party without the permission of FRENCH GMBH.

3. Withdrawal, reduction, compensation for damages

If FRENCH GMBH misses an appropriate deadline set for subsequent performance without rectifying a legal or material defect or providing a replacement, if the subsequent performance proves impossible or a failure, if FRENCH GMBH refuses subsequent performance for other reasons or if setting a deadline in accordance with § 478 of the BGB (German Civil Code) is dispensable, the Customer only has the right to withdraw from the contract or to demand an appropriate reduction in purchase price. Further-reaching claims for damages are excluded except in the case of fraudulent concealment by FRENCH GMBH or if FRENCH GMBH has guaranteed the Customer the absence of such. Further-reaching claims for the reimbursement of expenses in accordance with § 478 para. 2 of the BGB can be asserted by the Customer if rework expenditure of the Customer was unavoidable despite compliance with the regulations listed above under no. 1 c and 2 c. In the event of a withdrawal from the contract, the mutual claims of the parties to the contract are based on the legal requirements. FRENCH GMBH is not liable for the return transportation of the goods if and to the extent that the purchase item has been dispatched to a destination other than the contractually specified destination.

4. Statute of limitations

The statute of limitations regarding all claims for subsequent performance, reduction, return instruction, claims for damages or for the reimbursement of expenses pertaining to the subject matter of the contract amounts to six months for co-delivered lights, other-



General Terms and Conditions of Sale and Delivery for Commercial Customers

wise 12 months from the passage of risk unless a longer statute of limitations is specified in § 479 of the BGB, provided there has been no fraudulent concealment of a defect to the subject matter of the contract and if an agreed quality guarantee has not been complied with.

VII. Liability for claims for damages due to fault

1. The liability of FRENCH GMBH to claims for damages, irrespective of the legal reason, in particular for reasons of impossibility, delay, defective or incorrect delivery, violation of the contract, violation of obligations in the contract negotiations and unauthorised action, is restricted according to this figure VII. if it is due to fault.

2. FRENCH GMBH is not liable in the event of ordinary negligence of their bodies, legal representatives, employees or other vicarious agents provided they do not represent a violation of obligations essential to the contract. Essential to the contract are those obligations to ensure the punctual delivery and installation of the delivery item, its lack of legal defects and such material defects which impair more than negligibly its functionality or suitability for use, and consultancy obligations, protection obligations and duties of care which enable the Customer the contractually agreed use of the delivery item or which serve the purpose of protecting the physical well-being or life of the employees of the Customer or of protecting their property from considerable damage.

3. If FRENCH GMBH is liable for claims for damages according to the aforementioned conditions, this liability is restricted to damages which FRENCH GMBH has foreseen as a possible consequence of a contractual violation upon conclusion of the contract or which they should have foreseen by applying standard due diligence. Consequential damage and subsequent damage which is the result of defects to the delivery item can only be replaced if such damage is typically expected when using the delivery item in accordance with the designated use. Any claim asserted by the Customer for loss of profit is restricted to 10% of the agreed price for the part of the subject matter of the contract related to the interruption to services.

4. In the event of liability for ordinary negligence, the duty of replacement of FRENCH GMBH for material defects and resulting further asset damage is restricted to the amount of €5,000,000 per claim (corresponding to the current limit of indemnity of their product liability insurance or liability insurance) including in the event of a violation of obligations essential to the contract.

5. The liability exclusions and limitations above apply to the same extent in favour of the bodies, legal representatives, employees and other vicarious agents of FRENCH GMBH.

6. If FRENCH GMBH provides technical information or provides consultancy services and this information or advice is not part of the contractually agreed scope of services to be performed by them, this is performed free of charge and excludes any liability.

7. The restrictions of this figure VII. do not apply to the liability of FRENCH GMBH due to wilful behaviour, for guaranteed quality characteristics, due to injury to life, physical injury or health or in accordance with the product liability law

2. If the Customer is a businessman, a legal person under public law or public special asset, the headquarters of FRENCH GMBH is the legal venue for all legal disputes, including those associated with a cheque or bill of exchange process; lawsuits against FRENCH GMBH can only be brought there.

3. Only the contractual law, product liability law, law of torts and other civil and commercial laws of the Federal Republic of Germany are applicable, excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

4. In cases of doubt, the German version and not its translation into English is pertinent for the interpretation of these General Terms and Conditions.

X. Legal effect, data protection

1. If the contract or these General Terms and Conditions contains loopholes, those legally valid regulations which fill these loopholes if the contracting partners had agreed them in line with the economic objectives of the contract and the purpose of these General Terms and Conditions if they had recognised the loopholes, are considered agreed.

2. Any modifications or amendments to the contract require written confirmation by FRENCH GMBH in order to be effective; this also applies to deviations from the written form requirement stipulated in the contract.

3. Relevant legal declarations of intent such as notices of termination, letters of resignation, demands for reduction of the purchase price or compensation are only effective if they are submitted in writing.

4. Compliance with the written form is ensured by means of transmission by telecommunication means, in particular by fax or e-mail provided a copy of the signed declaration is transmitted.

5. FRENCH GMBH is entitled to process and save, or to have processed and saved by a third party instructed to do so by FRENCH GMBH, as defined by the Federal Data Protection Act, personal data acquired about the Customer associated with the business relationship – including if such data comes from third parties.

VIII. Retention of ownership

FRENCH GMBH retains the ownership of the delivery item until all payments under the supply contract have been received. In the event of any behaviour of the Customer which is contrary to the contract, in particular arrears in payment, and the application for the opening of insolvency proceedings, FRENCH GMBH is entitled to take back the delivery item and the Customer is obliged to hand it over. In the event of attachments or other interventions by third parties, the Customer must immediately inform FRENCH GMBH of this in writing.

IX. Place of performance, legal venue and applicable law

1. Unless a different agreement has been made, the place of performance for payment and delivery of the goods is the headquarters of FRENCH GMBH.