

General Terms and Conditions of Fried Kunststofftechnik GmbH for supplies and design services

Part A General Provisions

I. General and Special Provisions

These general terms and conditions are divided into

- Part A "General Provisions",
- Part B "Special Provisions for the Supply of Products" and
- Part C "Special Provisions for Design Services".

To the extent the Special Provisions for the Supply of Products in Part B and the Special Provisions for Services in Part C do not contain any provisions, the General Provisions from Part A shall apply. In the event of contradictions between the Special Provisions and the General Provisions, the Special Provisions shall have priority over the General Provisions.

II. Scope

- 1. These General Terms and Conditions for Supplies and Design Services (hereinafter "General Terms and Conditions") shall apply only to entrepreneurs in the exercise of their commercial or self-employed professional activity and to legal entities under public law. They shall apply to all business transactions between FRIED Kunststofftechnik GmbH (hereinafter "FRIED") and the Customer, even if reference is not made hereto in subsequent agreements. They shall apply in the same way to services. In the case of services, the receipt of the service shall take the place of the acceptance of the delivered products.
- Conditions of the Customer that conflict with, supplement or deviate from these General Terms and Conditions shall not become part of the contract, unless FRIED would have agreed, in writing, to their validity. These General Terms and Conditions shall also apply if FRIED, in full knowledge of conflicting, supplementary or deviating conditions, unconditionally renders a service to the Customer.



- 3. Conflicting, supplementary or deviating agreements to these General Terms and Conditions, agreed by FRIED and the Customer in execution of a contract must be set forth in the contract, in writing. This also applies to the annulment of the written form requirement.
- 4. This is without prejudice to any rights to which FRIED is entitled under statutory or other agreements going beyond the provisions of these General Terms and Conditions.

III. Conclusion of Contract

- Offers from FRIED are subject to confirmation and are non-binding, unless otherwise stated by FRIED.
- 2. FRIED reserves all ownership, copyright and other proprietary rights in the offer documentation. Such documents are not permitted to be disclosed to third parties. The customer must immediately return all offer documentation to FRIED at its request, provided such documentation is no longer required in the ordinary course of business. The same shall also apply specifically for all other documents, drafts, samples, patterns and models.
- 3. An order is binding only once it has been confirmed by FRIED by written order confirmation within two weeks from the date of the order or if FRIED performs the order, in particular if FRIED fulfils the order by providing performance, in particular by sending the products. Order confirmation issued with the assistance of automated equipment that does not features a signature or name shall be deemed to be in writing. The order confirmation shall not be binding on FRIED if it contains obvious errors, typing errors or miscalculations.
- 4. FRIED's silence in response to offers, orders, requests or other declarations by the Customer shall be deemed to constitute consent only if this was agreed in advance and in writing.
- 5. If the Customer's financial situation deteriorates significantly or if a justified application for the initiation of insolvency proceedings or similar proceedings in respect of the Customer's assets is rejected due to lack of assets, FRIED shall be entitled to withdraw from the contract, in whole or in part.



IV. Perfomance Time

- Performance times (delivery periods and delivery dates as well as periods and dates for the design services) must be agreed in writing. Performance periods and dates are not binding, unless FRIED states, in advance and in writing, that these are binding.
- 2. The performance period begins upon conclusion of the contract, but not before the provision of all documentation, approvals and releases to be provided by the Customer, the clarification of all technical issues, as well as the receipt of an agreed advance payment or, in the case of an overseas transactions, receipt of full payment. In the case of a performance date, the performance date shall be postponed by a reasonable period if the Customer fails to provide the documents, approvals to be procured by it on time; if release is not granted on time; if all technical issues have not been fully clarified on time; if the agreed advance payment or, in the case of an overseas transaction, the entire payment, has not been received by FRIED. Compliance with the performance period is contingent on the timely and proper fulfilment of the other obligations of the Customer.
- 3. The performance period is complied with if the products have left the plant by the time the period expires or FRIED has provided notice of readiness for collection or dispatch. Compliance with the performance period is subject to proper, in particular, timely, supply to FRIED, unless FRIED is responsible for the improper supply to it. In the event of improper supply to it, FRIED shall be entitled to withdraw from the contract. FRIED shall notify the Customer immediately whether it intends to exercise its right of withdrawal and shall return any advance payments made by the Customer.
- 4. In the case of default in performance, the Customer is entitled, upon expiry of a reasonable subsequent period set by the Customer once performance became delayed, to withdraw from the agreement.

V. Prices, Remuneration and Payment

- In the absence of any agreement to the contrary, all prices are ex works and do not include shipping, packaging, insurance, statutory taxes, customs or other charges. The costs for any testing and processing devices as well as the costs for alterations initiated by the Customer and costs for a second and any further sampling are also not included in the price. The costs incurred in this context will be invoiced separately.
- 2. The remuneration for design services is to be understood as the net remuneration as well. Changes to the drafts requested by the Customer of Fried shall be invoiced



- separately, unless the changes are necessary due to defects. The same shall apply for additional services or further drafts that are not the subject of the offer.
- 3. VAT at the statutory rate will be shown separately on the invoice in the amount applicable on the invoice date.
- 4. Orders for which fixed prices are not expressly agreed and for which performance is fixed at a time at least two months from conclusion of the contract, will be charged at FRIED's list prices applicable on the date of delivery in each case. The entry of the list price applicable on the order date on an order form or an order confirmation does not constitute any agreement on a fixed price. In the event of price increases of more than 5 %, the Customer is entitled to withdraw from the contract. At FRIED's request, the Customer will declare, without delay, whether it intends to make use of its right of withdrawal. If, by the date of delivery, production-related price increases occur, FRIED shall be entitled, irrespective of the offer and order confirmation, to adjust the price accordingly.
- 5. In the absence of any specific agreement, the price and the remuneration are payable net within 14 days of receipt of the invoice. The day upon which FRIED is able to freely dispose of the delivery price is deemed to be the payment date. In the case of default in payment, the customer must pay default interest in the amount of 9 % points above the basic rate of interest p.a. in each case. This is without prejudice to any further claims of FRIED.
- 6. In the case of overseas transactions, in derogation from Section VI. 3., payment is to be made prior to rendering performance, unless otherwise agreed in advance and in writing.

VI. Claims for Defects

In the case of delivery of products, the Customer's claims for defects are contingent upon the Customer having inspected the products on receipt - where reasonable also by means of trial processing or trial use - and having notified any obvious defects to FRIED without delay, but no later than two weeks from receipt of the products, in writing. Concealed defects must be notified to FRIED in writing, immediately upon discovery. In its written notification to FRIED the Customer must provide a detailed description of the defects. Furthermore, when carrying out planning, construction, assembly, installation, start-up, operation and servicing of the products, the Customer must at all times comply with the specifications, notes, directives and conditions set forth in the technical notes, assembly instructions, operating guidelines and other documents for the individual products; it must, in particular, carry out maintenance work properly and furnish evidence that maintenance has been carried out, and use recommended components. Any claims for defects



relating to defects caused by failure to comply with the foregoing are hereby excluded.

- 2. In the case of design services that constitute a work performance, the Customer's right to subsequent performance, substitute performance, withdrawal and a price reduction are based on the assumption that the Customer reserved its rights relating to the defect at the time of acceptance.
- 3. In the case of defects, FRIED shall, at its discretion, be entitled to provide subsequent performance
 - in the form of a rectification of the defect (in the event of the supply of products or design services that constitute a work performance) or
 - the supply of a product free from defects (in the event of the supply of products) or
 - the new production of the work (in the event of design services that constitute a work performance)

In the case of subsequent performance, FRIED is required to bear all expenses, in particular transport, travel, work and material costs incurred in the course of the subsequent performance. Replaced parts become the property of FRIED and must be returned to FRIED.

- 4. If FRIED is not willing or able to provide subsequent performance, the Customer can, without prejudice to any claims to compensation or reimbursement of expenses, at its discretion withdraw from the contract or reduce the delivery price. The same applies if the subsequent performance is unsuccessful, unreasonable for the Customer or, for reasons within FRIED's control, is delayed by more than a reasonable period.
- 5. The Customer's right to withdraw from the contract shall be excluded if the Customer is unable to return the performance received and this is not based upon the fact that the return is impossible due to the nature of the performance received, FRIED is responsible for the defect, or the defect only became apparent during the processing or transformation of the products. The right to withdraw from the contract is further excluded if FRIED is not responsible for the defect and if the Customer has to pay compensation for the value instead of the return.
- 6. Defects attributable to natural wear and tear, in particular in wearing parts, attributable to incorrect handling, fitting, use or storage or incorrectly performed alterations or repairs to the products by the Customer or third parties do not



- establish claims for defects. The same applies to defects attributable to the Customer or attributable to a technical cause other than the original defect.
- 7. Claims by the Customer for reimbursement of costs in place of compensation instead of performance are excluded where a reasonable third party would not have incurred such expenses.
- 8. FRIED does not assume any guarantees, in particular does not assume any guarantees concerning the characteristics or durability of the products, unless otherwise agreed, in writing, in individual cases.
- The statute of limitation for the Customer's claims for defects is one year, unless 9. there is a consumer goods purchase at the end of the supply chain (the final customer is a consumer). If (a) the defective products have been used in accordance with the customary use for a building and have caused its defectiveness or (b) it is a defect in a building or (c) it is a work the success of which consists in the provision of planning or supervision services for said building, the limitation period shall be five years. The limitation period of one year shall likewise apply to claims in tort based on a defect in the products. The limitation period shall begin upon the delivery of the products and, in the case of design services that constitute a work performance, upon their acceptance. The one-year limitation period shall not apply to FRIED's unlimited liability for damage attributable to the breach of a guarantee or relating to damage to life, limb or health, for intentional acts and gross negligence and for product faults, or if FRIED assumed a procurement risk. A statement by FRIED concerning a claim for defects asserted by the Customer is not to be viewed as constituting entry into negotiations concerning the claim or the circumstances giving rise to the claim, provided FRIED rejects the claim for defects in full.

VII. Liability of FRIED

1. FRIED is liable without restriction for damage attributable to the breach of a guarantee or damage to life, limb or health. The same applies to intentional acts and gross negligence or if FRIED assumed a procurement risk. FRIED is liable for slight negligence only in the event of the breach of material contractual duties which are inherent to the nature of the contract and which are of particular significance for the fulfilment of the contractual purpose. In the event of the breach of such duties and in the case of default and frustration, FRIED's liability is limited to such damage as can be typically expected within the framework of this kind of contract. Mandatory statutory liability for product defects remains unaffected.



2. If FRIED's liability is excluded or limited, this also applies to the personal liability of its employees, workers, staff, representatives and agents of FRIED.

VIII. Force Majeure

- 1. If FRIED is prevented by force majeure from fulfilling its contractual duties, in particular from delivering the productsor from rendering the design services, FRIED will, for the duration of the impediment and for a reasonable start-up time, be released from its performance obligation, without being required to pay the Customer compensation. The same applies if FRIED is prevented from fulfilling its obligations by unforeseeable circumstances beyond FRIED's control, in particular if industrial action, a pandemic, official measures, energy shortages, obstacles to supply by a subcontractor or significant disruptions to operations render performance unreasonably hampered or temporarily impossible. The same applies if such circumstances are encountered by subcontractors. This also applies if FRIED is already in default. Insofar as FRIED is released from the performance obligation, FRIED shall return any advance payments made by the Customer.
- 2. FRIED shall be entitled, on expiry of a reasonable period, to withdraw from the contract if such impediment last more than four months and FRIED is no longer interested in performing the contract as a result of the impediment. On request by the Customer, FRIED will declare on expiry of the deadline whether it intends to make use of its right of withdrawal or deliver the products within a reasonable period.

IX. Confidentiality

1. The parties shall be obligated to keep all business secrets of the other party that they become privy to confidential for a period of five years from conclusion of contract, to protect them with suitable and appropriate measures and, unless required for the business relationship, to neither record nor disclose, use or exploit said business secrets. The parties shall, in particular, ensure that the other party's business secrets are only disclosed to such employees and other staff and only to the extent required for the business relationship. The duty to confidentiality shall likewise apply to objects that embody business secrets. The receiving part is, in particular, prohibited from obtaining the trade secrets embodied in a product or object by reverse engineering. Business secrets are all information that is designated as confidential or secret or which is recognizable as a business secret based on other circumstances, in particular technical information (e.g., drawings, product and development descriptions, methods, procedures, formulas, techniques as well as inventions) and commercial information (e.g. pricing and financing information as well as supply sources).



- 2. The confidentiality obligation does not apply if the business secret was demonstrably already known to the recipient prior to commencement of the contractual relationship or was generally known or publicly available prior to commencement of the contractual relationship or, through no fault on the part of the recipient, becomes generally known or publicly accessible. The burden of proof is borne by the recipient.
- 3. The parties shall ensure by means of suitable contractual agreements with the employees working for them, other agents and third parties that become privy to the business secrets of the other party in accordance with paragraph 1 above that these as well shall be required to maintain the respective confidentiality for a period of five years from conclusion of contract.

X. Data Protection

- The parties mutually undertake to comply with the statutory provisions on data protection, in particular the EU General Data Protection Regulation ("GDPR") in the execution of the contract and to impose compliance with these provisions on their employees.
- 2. The parties process the personal data received (names and contact details of the respective contact persons) exclusively for the fulfilment of the contract (Art. 6 (1) (b) GDPR) and will implement these technical security measures adapted to the current state of the art (Art. 32 GDPR). The parties undertake to delete the personal data as soon as their processing is no longer necessary. Any statutory restrictions shall remain unaffected.
- 3. Should a party process personal data for the other party on behalf of the contract, the parties will conclude an agreement on the processing of orders pursuant to Art. 28 GDPR.

XI. Execution and Assignment to Third Parties, Offsetting and Right of Retention

- 1. Fried is entitled to have a contract or substantial parts of a contract performed by third parties.
- 2. The Customer is entitled to transfer rights and duties to third parties only with FRIED's prior written consent.
- 3. Counterclaims of the Customer entitle it to set-off only if these claims have been legally determined or are uncontested. The Customer can assert a retention right only if its counterclaim is based on the same contractual relationship.



XII. Place of Performance, Contractual Language, Applicable Law, Place of Jurisdiction and Severability Clause

- 1. Unless otherwise agreed, the place of performance for all performance owed by the Customer and by FRIED is the registered seat of FRIED.
- 2. The language of the contract is English.
- 3. The legal relationship between the Customer and FRIED is governed by the laws of the Federal Republic of Germany, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).
- 4. If the Customer is merchant within the meaning of the German Commercial Code, a legal entity under public law or a special body or fund under public law, the exclusive place of jurisdiction for all disputes relating to the business dealings between the Customer and FRIED is FRIED's registered seat. FRIED is also entitled to file suit at the seat of the Customer and at any other permissible place of jurisdiction. Any arbitration clauses are hereby rejected.
- 5. Should any provision of these General Terms and Conditions be or become invalid or unenforceable, in whole or in part, or if there proves to be an omission in these General Terms and Conditions, this shall not affect the validity of the remainder of the provisions. In place of the invalid or unenforceable provision, the valid or enforceable provision is deemed agreed that comes as close as possible to fulfilling the purpose of the invalid or unenforceable provision. In the event of an omission, the provision is deemed agreed that corresponds to what would have been agreed, in view of the purpose of these General terms and Conditions, had the contracting parties considered the matter from the outset.

Part B Special Provisions for the Supply of Products

The provisions of this Part B shall apply to the delivery of products by FRIED to the Customer. Insofar as this Part B does not contain any provision, the General Provisions of Part A shall apply in addition.

XIII. Product Descriptions, Scope of Delivery, Alteration to Products

 Illustrations, drawings, weights, dimensions, as well as other descriptions of the products contained in the documents forming part of the offer, are approximations only, unless these are expressly stated to be binding. This information does not



constitute any agreement or guarantee of corresponding characteristics or durability of the products, unless they were expressly agreed to be such, in writing. Expectations of the customer with respect to the products or the use thereof do not constitute any agreement or warranty.

- 2. The written order confirmation issued by FRIED is decisive for the scope of delivery. Changes made to the scope of delivery by the Customer must be confirmed, in writing, by FRIED in order to become effective. Alterations to the construction and form of products may be made insofar as these are industry-standard deviations; if such deviations are within the DIN tolerance thresholds; or insofar as the changes are not substantial and are reasonable for the Customer. The same applies to the selection of the materials, the specifications and the construction method.
- 3. Delivery in parts is permissible unless such delivery in parts is not reasonable for the Customer, giving due consideration to the interests of FRIED.
- 4. Fried reserves the right to make excess or short deliveries of up to 10% of the scope of delivery for production-related reasons. In this respect, claims for defects are excluded. The price remains unaffected by this.

XIV. Cross-Border Deliveries

- In the case of cross-border deliveries, the Customer must submit to the competent authorities all necessary declarations and take all actions required for export from Germany and import into the destination state, in particular, procure the documents required for customs clearance and comply with the requirements of any export controls or other restrictions on marketability.
- 2. The deliveries are subject to the condition that the performance is not precluded by any impediments based in national or international regulations, in particular export control provisions, as well as embargoes or other sanctions.
- 3. Delays due to export controls extend delivery periods accordingly; delivery dates will be postponed as appropriate.

XV. Transfer of Risk

1. The risk of the accidental loss and deterioration passes to the Customer as soon as the products are handed to the party carrying out transportation, or leave the FRIED's warehouse for the purposes of shipping. In the case of collection by the Customer, the risk passes to the Customer upon notification of readiness for collection. Sentence 1 and sentence 2 apply also if delivery is made in parts or if FRIED provides additional services, such as the transport costs.



- 2. If the Customer is in default of acceptance, FRIED may demand compensation of the loss incurred, as well as reimbursement of any additional expenses, unless the Customer is not responsible for the non-acceptance of the products. In particular, FRIED is entitled at the Customer's expense to store the products for the duration of the delay in acceptance. The costs of storing the products shall be charged at a lump sum of 0.5% of the net invoice amount per calendar week commenced. This is without prejudice to any further claims of FRIED. The Customer has the right to furnish evidence that FRIED did not incur any costs or that the costs incurred were lower. The same applies if the Customer breaches other cooperation duties, unless the Customer is not responsible for such breach of other cooperation duties. The risk of the accidental loss or deterioration of the products passes to the Customer at the latest at the time it enters into default of acceptance. FRIED is entitled, upon fruitless expiry of a reasonable deadline set by FRIED to otherwise dispose of the products and to deliver to the Customer with a reasonably extended deadline.
- 3. If the dispatch is delayed on account of circumstances beyond the control of FRIED the risk shall pass to the Customer upon notification of readiness for dispatch.
- 4. Delivered products with minor defects must be accepted by the Customer, without prejudice to its claims to defects.

XVI. Product Liability

- The Customer will not alter the products, in particular, it will not amend or remove existing risk warnings concerning improper use of the products. In the event of any breach of this duty, the Customer shall in the internal relationship release FRIED from third-party product liability claims, unless the customer is not responsible for the alteration of the products.
- 2. If, due to product defect, FRIED is required to carry out a product recall or issue a product warning, the Customer will to the best of its ability assist in all such measures considered necessary and expedient by FRIED and support FRIED in this, in particular in determining the necessary customer information. The Customer is required to bear the costs of the product recall or the warning, unless it was not responsible for the product defect pursuant to product liability law principles. This is without prejudice to any further claims of FRIED.
- 3. The Customer will without delay notify FRIED in writing of any risks in the use of the products and possible product faults that it identifies in the course of its use of the products.



XVII. Retention of Title

- 1. The Customer is required to treat the products subject to retention of title with due care for the duration of the retention of title. It is required, in particular, at its own expense to insure those products against fire, water damage and theft at replacement value. The Customer must on request by FRIED furnish evidence of the conclusion of such insurance. The Customer already now assigns to FRIED all claims to compensation under such insurance. FRIED hereby accepts the assignment. If assignment is not permissible, the Customer hereby instructs the insurer to make any payments only to FRIED. This is without prejudice to any further claims of FRIED.
- 2. The Customer is permitted to sell the products subject to retention of title only in the course of ordinary business operations. In addition, the Customer is not entitled to pledge the products subject to retention of title, to transfer the same by way of security or to make other dispositions that could jeopardise FRIED's ownership rights. In the case of seizures or other third-party interventions, the Customer must notify FRIED without delay and provide all necessary information, notify the third party of FRIED's ownership rights and participate in the measures undertaken by FRIED to protect the products subject to retention of title. If the third party is not in a position to reimburse to FRIED the judicial and extrajudicial costs of enforcing FRIED's ownership rights, the Customer is required to compensate FRIED for the resulting loss, unless the Customer is not responsible for the breach of duty.
- 3. The Customer already now assigns all claims relating to the resale of the products, together with all ancillary rights, to FRIED irrespective of whether the products subject to retention of title are resold without or after processing. FRIED hereby accepts such assignment. If such assignment is not permissible, the Customer hereby instructs the third-party debtor to make any payments only to FRIED. The Customer is authorised - such authorisation subject to revocation - to collect the claims assigned to FRIED in a fiduciary capacity in its own name. The sums collected are to be transferred to FRIED immediately. FRIED can revoke the collection authorisation of the Customer, as well as the Customer's authorisation to resell the products, for good cause, in particular if the Customer fails to properly fulfil its payment obligations in respect of FRIED, if it is in default of payment, ceases to make payments or if the initiation of insolvency proceedings or comparable debt settlement proceedings has been requested with respect to the Customer's assets or the justified application by a third party for the initiation of insolvency proceedings or comparable debt settlement proceedings concerning the Customer's assets is rejected due to lack of assets. In the case of global assignment by the Customer, the claims assigned to FRIED are to be expressly excluded.



- 4. At FRIED's request, the Customer is required to notify the third-party debtor of the assignment without delay and to procure for FRIED the information and documentation required in order for FRIED to collect the claims.
- 5. In the event of the breach of contractual duties, in particular in the event of default of payment by the Customer, FRIED is entitled, irrespective of its other rights, on expiry of a reasonable additional deadline to be set by FRIED to withdraw from the contract. The Customer must grant FRIED or its agents immediate access to the products subject to the retention of title and surrender those products. Following appropriate timely announcement, FRIED can otherwise utilise the products subject to the retention of title in order to satisfy its due claims against the Customer.
- 6. The processing or remodelling of the products subject to the retention of title by the Customer is at all times carried out on FRIED's behalf. The Customer's vested right in the products subject to the retention of title continues in the processed or remodelled item. If the products are processed or remodelled together with other items that do not belong to FRIED, FRIED shall acquire joint ownership in the new item proportional to the value of the supplied products to the other processed items at the time of processing or remodelling. The same applies if the products are combined or mixed with other items not owned by FRIED such that FRIED loses its full ownership. The Customer will safely store the new items for FRIED. In addition, the same provisions apply to items created through processing or remodelling, as well as by combination or mixture, as for the products subject to retention of title.
- 7. At the Customer's request, FRIED is required to release the securities to which it is entitled to the extent that the realisable value of the securities, taking account of customary banking valuation discounts, exceed FRIED's claims relating to the business relationship with the Customer by more than 10 %. The valuation shall be based on the invoice value of the products subject to retention of title and the nominal value of the claims. FRIED is responsible for selecting precisely which items are to be released.
- 8. In the case of deliveries to other jurisdictions in which the foregoing provisions on the retention of title do not have the same security effect as in Germany, the Customer hereby grants FRIED a corresponding security right. If further measures are necessary to this end, the Customer will do everything within its power to grant FRIED such security right without delay. The Customer will participate in all measures necessary and expedient to the validity and enforceability of such security rights.

XVIII. Moulds and Tools

 Depending on the product, FRIED uses moulds and tools for the manufacturing of the products. Unless otherwise agreed in writing, the costs for the moulds and tools



as well as the costs for their cleaning, maintenance and preservation as well as other repair and maintenance costs shall be invoiced to the Customer in accordance with Section V.1. of these General Terms and Conditions.

- 2. If the costs for the moulds and tools are invoiced to the Customer and if the moulds and tools are not an auxiliary construction and if the parties have not otherwise agreed, the Customer shall acquire ownership of the moulds and tools in question, whereby ownership shall not pass to the Customer until full payment of the price for the moulds and tools. The Customer shall provide FRIED with the moulds and tools for the manufacturing of the products. FRIED will handle the moulds and tools with care and safely store them. If the costs for the moulds and tools are not invoiced to the Customer or if a mould or tool is an auxiliary construction or if there is otherwise no case of Sentence 1, the moulds and tools shall remain the property of FRIED.
- 3. The Customer must immediately pick up the moulds and tools from FRIED upon FRIED's request at its own expense and risk. The collection shall take place no later than 24 months after the last order for the execution of which the moulds and tools were required. If the Customer fails to properly fulfil its obligation pursuant to Sentence 1 or Sentence 2, FRIED shall be entitled, after the fruitless expiration of a reasonable grace period set by FRIED, (i) to deliver the moulds and tools to the Customer at the Customer's expense or (ii) to destroy the moulds and tools and (iii) to demand storage costs in a reasonable amount until delivery to the Customer or destruction of the tools. The storage costs shall be set at a flat rate of at least 5 % of the net price for the moulds and tools in question. The Customer shall be entitled to prove that FRIED did not incur any storage costs or that the storage costs were significantly lower than the lump sum. Further claims of FRIED shall remain unaffected.
- 4. FRIED will replace a mould or tool with a new mould or tool after the service life has been reached. The costs for this replacement shall be borne by the Customer, unless otherwise agreed in writing. The paragraphs above regarding the moulds and tools shall apply accordingly to the new moulds and tools.

Part C Special Provisions for Design Services

The provisions of this Part C shall apply to the development of a product design ("Work") by FRIED or by a subcontractor commissioned by FRIED. If this Part C does not contain any provisions, the General Provisions of Part A shall apply in addition:



XIX. Design Services, Artistic Design Freedom

- 1. If the development of the product design takes place in phases, these will be listed in the offer.
- 2. The development of a product design is a creative process. FRIED shall have artistic design freedom in this regard.
- 3. The development of a product design together with the granting of the rights of use shall constitute a single service.
- 4. If the design services owed by FRIED include the production and delivery of a physical object, the above provisions of Part B shall apply accordingly to the delivery of this physical object.

XX. Collaboration Obligations

- The Customer shall provide FRIED with all the information and documents necessary
 for the development of the product design, free of third-party rights, in particular
 free of third-party property rights, in a timely manner.
- 2. The Customer shall inform FRIED of any changes and events that directly or indirectly affect the development of the product design and which may cause delays in a timely manner.

XXI. Acceptance

- 1. The Customer shall be required to accept the design services after their completion. If the development of the product design takes place in phases, the services of each phase shall be accepted separately within the meaning of a partial acceptance.
- 2. The Customer may not refuse acceptance for reasons of taste or if the Customer is not satisfied; in this respect, reference is made to the Customer's right of termination. Acceptance may also not be refused on account of insignificant defects.

XXII. Third-Party Property Rights

1. FRIED shall not be responsible for content provided by the Customer or based on its instructions. In particular, FRIED shall not check whether the content or the instructions provided by the Customer violate the rights of third parties, in particular the property rights of third parties. The Customer shall indemnify FRIED against claims asserted by third parties against FRIED with respect to such content or instructions. The indemnification obligation shall not apply if the Customer is not



- responsible for the breach of duty. Further claims FRIED may be able to assert against the Customer shall remain unaffected.
- 2. To the best of FRIED's knowledge, the product design that was created is its own personal intellectual creation. No examination or guarantee of the novelty of the product design beyond this declaration shall be made. In particular, FRIED shall not check whether the product design is protectable or commercially exploitable or whether the use or exploitation is opposed by third-party rights, in particular third-party property rights, unless the parties have agreed otherwise in writing.

XXIII. Customer's Right of Termination

- 1. The Customer may terminate the contract at any time until the completion of the work, even for reasons of taste or if the Customer is not satisfied. If the Customer terminates the contract, FRIED shall be entitled to demand the agreed remuneration for the services already provided or, if individual service phases have been agreed, the remuneration for the service phases already completed, including the phase in which the termination takes place.
- 2. If the Customer terminates the contract, the Customer shall not receive any rights of use.