

General Terms and Conditions

1.	The business relationship between FRENCO GmbH (hereinafter: FRENCO) and the customer (hereinafter: customer) are exclusively based upon the following Terms of Sales and Delivery and the relevant written order confirmation by FRENCO. Verbal arrangements between the contracting parties are replaced by this, unless it is explicitly clear that they continue to be effective and binding. Terms and conditions of the customer or a third party that are different are rejected, even if FRENCO does not expressly object to their application in each individual case.
2.	Documents such as illustrations, drawings, weight specifications and dimensions supplied with the quotation are only approximate unless they are expressly marked as binding. FRENCO owes goods of normal quality and with a standard configuration, taking into account the commercial and production-related dimensional tolerances. The material is only sufficient for specific demands insofar as they have been explicitly agreed.
3.	The delivery period begins with the dispatch of the order confirmation, but not before the customer has supplied the required documents, approvals and permits and the receipt of the agreed deposit. The delivery periods specified in the order confirmation in writing are non-binding, unless a fixed date has been explicitly agreed. FRENCO is, however, not liable for impossibility of delivery or delivery delays if these are due to force majeure or other hindrances, which could not be foreseen at the time of the conclusion of the contract (e.g. non-delivery, incorrect or late delivery by suppliers, and industrial action), where FRENCO is not responsible. If such events make deliveries or services considerably more difficult or impossible and the hindrance is not only of a temporary nature, FRENCO is entitled to withdraw from the contract. In the event of hindrances of a temporary nature, the delivery or service periods shall be extended, or the delivery or service dates are postponed by the period of the hindrance plus a suitable start-up period. If as a result of the delay the customer cannot reasonably be expected to accept the goods or services, he may cancel the contract by immediate written declaration to FRENCO.
4.	FRENCO shall be entitled to increase the agreed prices in line with the increase in wage, material and raw material costs, if there are more than 2 months between the conclusion of the contract and the delivery, and the increase in costs occurred after the conclusion of the contract. FRENCO shall charge value added tax at a rate applicable on the day of delivery.
5.	The delivery terms of FRENCO are in accordance with the Incoterms 2020. The deliveries shall be EXW (Ex Works) FRENCO, unless otherwise expressly agreed. In this case the customer is responsible for insuring the goods. If the customer prefers to be charged for the transport costs, the goods will be sent DAP (Delivery at Place). In this case the customer will receive an invoice for transport and insurance. FRENCO is not liable for the most favourable shipping rates or the quickest way of transport. Unless otherwise agreed the standard packaging, chosen based on FRENCO's dutiful judgement, will be charged separately.
6.	The warranty period is one year after delivery or, if acceptance is required, one year from acceptance. This period does not apply in case of claims for damages by the customer resulting from injury to life, body or health or from intentional or grossly negligent breaches of duty by FRENCO or its vicarious agents. The goods delivered are to be thoroughly examined after delivery to the customer or to a third party designated by the customer. The goods are deemed to be approved by the customer with regard to obvious defects or other defects, which are evident as a result of an immediate careful examination, if FRENCO has not received a written notice of defects within seven working days after delivery. With respect to other defects, the supplied items are deemed approved by the customer if FRENCO has not received a notice of defects within seven working days of the defect being identified; if the defect was already visible to the customer earlier during normal use, this earlier point in time shall determine the starting point of the complaint period. If requested by FRENCO, the defective goods must be returned carriage paid to FRENCO. If a notice of defect is justified, FRENCO shall reimburse the costs of the cheapest method of dispatch; this does not

	<p>apply if the costs are increased due to the goods being located at a place other than that of the intended use. In case of material defects of the delivered goods, FRENCO is initially obliged to, and entitled to choose, within a reasonable period of time, either to repair or replace the product. If rectification fails, i.e. in particular the impossibility, unreasonableness, refusal or unreasonable delay in reworking delivered goods or delivering replacement goods, the customer has the right to withdraw from the contract or reduce the purchase price appropriately. All warranty obligations lapse if the customer or a third party undertook modifications or if the goods have otherwise been improperly handled. No liability will be assumed for the integrity of the delivered goods in the case of contract work. If the machining performed on the goods by FRENCO is inadequate or if the goods are deemed useless, this machining process will be repeated free of charge, however, no liability is accepted for the actual goods. Before gauges and master gears are used, the customer is obliged to ensure the conformity of the drawing specification with the delivered gauges or master gears during a receiving inspection. This also applies to inspection reports included in the delivery. This obligation does not apply if inspection certificates including graphs of the individual deviations with traceability are included for the gauges or master gears. Before commencing serial production, the customer is obliged to ensure the correctness and dimensional accuracy of the goods delivered by FRENCO by producing prototype parts. If the customer does not observe this obligation, no claims can be made against FRENCO.</p> <p>Further claims are excluded, unless FRENCO is guilty of intent or gross negligence; in those cases, the customer shall be entitled to demand compensation under certain circumstances as per paragraph 7.</p>
7.	<p>FRENCO's liability to damages, irrespective of the legal reason, in particular due to impossibility, delay, defective or incorrect delivery, breach of contract, breach of duties during contract negotiations and unlawful acts is, in so far as there is a question of blame in each case, limited in accordance with this paragraph 7.</p> <p>FRENCO is not liable in case of simple negligence by its management, lawful representatives, salaried employees or other agents as long as there is no breach of an essential contractual obligation. Essential contractual obligations are commitment to delivery on time and installation of the article of sale, which shall be free from defective titles and such material defects that impair its functionality or usability more than just insignificantly, as well as obligations concerning consultancy services, protection and care designed to enable the customer to use the delivered goods in accordance with the contract or protect life and limb of the employees of the customer or to protect the customer's property from significant damage.</p> <p>If FRENCO is liable for compensation on the merits, this liability shall be limited to damages that FRENCO foresaw, when concluding the contract, as a possible consequence of a breach of contract or which FRENCO should have foreseen when applying due diligence. Indirect damage and consequential damage resulting from defects in the goods supplied are only eligible for replacement if such damage is typically to be expected when using the goods supplied as intended.</p> <p>In the event of liability for simple negligence, FRENCO's obligation to compensate for damage to property and resulting financial losses is limited to the amount of EUR 5,000,000 per claim, even if this is a case of breach of obligations essential to the contract. Insofar as FRENCO provides technical information or acts as an adviser, and this information or advice is not part of the contractually agreed and owed scope of performance, such services are offered free of charge and with the exclusion of any liability.</p> <p>The above exclusions and limitations of liability shall apply to the same extent to the benefit of the management, lawful representatives, salaried employees and other agents of FRENCO.</p> <p>The limitations of paragraph 7 shall not apply to FRENCO's liability on account of deliberate action, for guaranteed characteristics, on account of injury to life, limb or health or according to the product liability law.</p>
8.	<p>Offsetting can be undertaken against payment claims from FRENCO only with regard to uncontested or legally established demands. Furthermore, possible rights of detention of the customer are excluded.</p>
9.	<p>Unless otherwise agreed, invoices issued by FRENCO are due for immediate payment. Unless otherwise specified, the prices are calculated in Euro (€) by FRENCO. Bills of exchange and cheques shall only be accepted on account of performance. After 30 days FRENCO is entitled to demand interest on maturity to the same extent as an overdraft credit. In case of delayed payment, the customer has no right to sell on goods, which remain the property of FRENCO. These goods have to be returned immediately upon request by FRENCO. Unless mutual terms of payment have been agreed, purchase orders are to be paid net within 10 days less a 2% cash discount taken from the value of the goods, or net within 30 days. Repairs and commis-</p>

	sioned work, as well as contracts to monitor inspection equipment shall be payable immediately upon receipt of invoice, strictly net and without any deduction.
10.	Until payment in full has been made, including accessory claims (such as currency exchange, financing costs, interest), FRENCO retains the title of ownership (retention of title) to the delivered goods (reserved goods). The customer is entitled to sell the goods (reserved goods) in the normal course of business. In such a case, the customer assigns the claim arising from the resale towards his buyer to FRENCO, whereby the customer is entitled to collect the assigned claim. The customer shall not be entitled to further sell on the reserved goods if a prohibition of assignment exists within the business relationship between him and his customer. The customer is not allowed creations of a security interest, pledging or other provisions. If the reserved goods are processed by the customer, it shall be agreed that the processing shall be effected on behalf and on the account of FRENCO as the manufacturer and FRENCO shall directly acquire the title or - if the processing is effected with goods of several owners or the value of the processed goods is higher than the value of the reserved goods - joint title (fractional ownership) in the newly created goods in the proportion of the value of the reserved goods to the value of the newly created good. The customer shall immediately report to FRENCO any attachment of the reserved goods by third parties; otherwise he is liable for any resulting damage.
11.	The parties to the contract shall mutually undertake to treat as confidential , and to use, all information exchanged or to be exchanged, before and during the contract period, data and acquired knowledge about business and company secrets of the other contractual partner of which they become aware as intended in the contract. This confidentiality obligation does not apply to information, which verifiably is or becomes available in the public domain without the relevant party to the contract being responsible for the disclosure, or information which was already known to the contractual partner before it was disclosed to him by the other contractual partner. The confidentiality obligation does not apply if one contractual partner or a third party is by law or regulations obliged to disclose information. The other contractual partner has to be notified in writing of such an obligation to make disclosure. This confidentiality obligation also applies after termination of the business relationship.
12.	Place of jurisdiction for all disputes arising out of or in connection with the contractual relationship, including action on bills and cheques is Nürnberg, Germany. Place of fulfilment is Altdorf near Nürnberg, Germany. Contractual relations between FRENCO and the customer shall be subject solely to German Law.
13.	The acceptance term as per agreement B, described in FRENCO script OFD 10, page 18 applies to composite gauges, masters and master gears. This agreement allows the use of ISO 14253.
14.	If the contract or these general terms and conditions contain loopholes, these loopholes will be closed by legal provisions which the parties to the contract would have agreed on the basis of the financial aims of the contract and the purpose of these general terms of delivery if they had identified the loopholes.
15.	In case of any doubt, the original German version has priority.

FRENCO GmbH
gear + spline-technology
 Jakob-Baier-Str. 3
 D 90518 Altdorf
 Germany

Tel. +49 (0) 9187 9522 0
 Fax +49 (0) 9187 9522 40
 email: frenco@frenco.de
www.frenco.de

