



General Terms and Conditions of Sales and Deliveries

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A2 Trading GmbH
Amtsstraße 47
D-22143 Hamburg

§ 1 Scope of Application

(1) Following conditions are applicable exclusively for all supplies and services rendered by A2 Trading, unless something different has been explicitly agreed in writing. The acceptance of the merchandise supplied by us is considered as recognition of these terms of delivery at any rate.

(2) Any conditions of the Customer are only valid insofar as we accept the same explicitly in writing.

§ 2 Conclusion of Contract

All offers from A2 Trading are always without obligation. A delivery contract is only considered as concluded when A2 Trading either confirm the Customer's order formally in written form or execute the delivery without a separate confirmation. Our Order Confirmation is decisive for the content of the Delivery Contract; in the case of delivery without separate Order Confirmation the Invoice is considered as Order Confirmation.

§ 3 Quantities, Natural Loss during Voyage

With the exemption of Domestic Business and business transactions within the European Economic Area and Switzerland, the Buyer has to bear the risk of a natural diminution during transport of up to 2% of the original weight at the time of dispatch. Has the sale been contracted based on „Weight Delivered“, A2 Trading has to bear the risk of natural diminution until delivery in full; if in such a case of „Purchase at Weight Delivered“ (weight at the time of arrival) the original weight cannot be established, due to loss of merchandise or an increase of weight because of damage during transport, the charges shall be calculated based on the net weight at dispatch minus the experiential rate of diminution of weight during transport, which has to be established by an independent expert, if need should be.

§ 4 Consistency

(1) A2 Trading only warrants the quality parameters shown by the respective Certificates/ Analysis Reports. Different agreements are void.

(2) Samples, descriptions of merchandise and /or services are not considered guaranteed quality parameters.

§ 5 Deliveries / Transition of Risks

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(1) Times and dates of delivery which have not expressly been determined as „FIXED“ in our Order Confirmation and thus are considered only as approximate, the Customer may set a reasonable delivery time two (2) weeks after those original periods or times of delivery have expired. It is only on conclusion of this additional respite that A2 Trading will fall behind schedule.

(2) In such a case of delay in delivery, or complete impossibility, A2 Trading is liable for any claims for damages only according to the provisions of these terms and conditions.

(3) Place of Delivery is Hamburg.

(4) If a „Call-off Order“ has been contracted, the call-offs have to be placed within three (3) months after the signing of agreement if nothing different has been formally contracted in writing. If the call-off of delivery is not placed within the period described, passage 6 applies accordingly.

(5) Dispatch and transport are executed at Customer's risk. The risk changes over to the Customer as soon as the consignment has been handed over to the person in charge of the transportation - independently, whether this person is part of our enterprise or not -or when the merchandise has left our warehouse for the purpose of transport, inasmuch passage 6 does not apply.

(6) If the Customer refuses to accept the merchandise, or the dispatch of the consignment is delayed due to some other reasons on the Customer's side, the transition of risks happens immediately at the beginning of the default of acceptance. Storage charges after transition of risks have to be paid by the Customer. A2 Trading is entitled to charge storage costs at 0.5 % of the invoice amount for each month, or calculate the actual damage unless the Customer proves a smaller damage. Furthermore, we may set a period of grace of 14 days for the Customer, and withdraw from the contract in case this respite expired without result, or we may demand compensation for losses suffered instead of the goods and services.

§ 6 Prices/Payment

(1) All our prices are quoted without value-added tax.

(2) All transport costs have to be covered by the Customer, unless something different has been formally contracted. For this all freight rates, Customs' tariffs, and other additional charges valid on the day of delivery are relevant.

(3) In case that the prices of our upstream suppliers, freight rates, and/or public dues are increased in the period of time between order and delivery of the merchandise, and consequently our own expenditures demonstrably go up, we on our side are entitled to raise our prices accordingly. In such a case we shall inform our Customers of the new prices without delay.

(4) The Customer is not entitled to reduce the payment requests of A2 Trading by the value of counter-claims, or to assert any right of retention, inasmuch the counter-demands or the right of lien have not been acknowledged in writing, or have been established with legal capacity.

(5) The purchase prices are unless agreed otherwise- payable within 14 days after the date of invoice.

(6) In case that payment limits are exceeded, A2 Trading charges interest on account of delay from the Buyer amounting to 9 % p.a. above the respective basic interest rate, unless the latter can prove a higher or lower damage.

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(7) The receivables of A2 Trading fall due immediately, independent from the maturity of any bills which have been accepted on account of performance, if contracted agreements are not met by the Customer. In the events of default of payment, bill protest and/or stoppage of payments of the Customer A2 Trading may call for the immediate payment of the total receivables – including any outstanding receivables from circulating bills of exchange – regardless the agreed maturity. This also applies in the event that A2 Trading gets knowledge of circumstances which may lead to justified and considerable doubts in the Customer's ability to meet financial obligations or creditworthiness – and indeed also in case that these circumstances were already existent when the order was placed, but were not known to A2 Trading, or were not bound to be known. In all of the aforementioned cases we are also entitled to execute still outstanding deliveries only against payment in advance or securities, and, if the advance payment or security is not rendered within two (2) weeks to step back from the contract without a yet renewed deadline. Further entitlements remain unaffected.

(8) The Customer is not entitled to assign receivables from this contract to a Third Party without our written consent.

§ 7 Claims

(1) The Customer is held to examine the merchandise carefully immediately after the arrival at the place of destination. In doing so, the condition of the merchandise is to be checked particularly thoroughly in respect to weight and number of pieces. If drums, crates, cartons and/or other containers are supplied, random samples are to be drawn. The delivery is considered accepted when a notification of defects is not received by us within seven (7) days after arrival of the merchandise at the place of destination, or - if the defect was not obvious during the inspection – within seven (7) days after its disclosure, including an accurate, detailed description of the defect, in writing. All claims are always to be addressed directly to us. Any complaint expressed towards sales representatives, brokers, or trade agents does not suffice.

(2) Damages in transit have to be notified to the forwarder without delay; the General German Forwarders' Terms & Conditions (=Allgemeine Deutsche Spediteurbedingungen -ADSP) are applicable.

§ 8 Liability

(1) The aforementioned provisions exclusively embody any warranty for merchandise supplied by A2 Trading. A2 Trading is liable towards the Customer for any other losses or damages which occur in connection with faults or deficiencies of guaranteed properties of the merchandise delivered, exclusively according to the stipulations of these provisions. Excluded from these are entitlements from damages which the Customer suffers because of a culpable injury to his life, body or health.

(2) In the case of a justified claim A2 Trading renders supplementary performance by either amendment or replacement delivery, as per our choice.

(3) In the event that a supplementary performance definitely fails, the Customer may reduce the purchase price, or step back from the contract. If the defects are only insignificant the Customer is not entitled to any right of withdrawal. In case the Customer chooses withdrawal from the contract after a failed supplementary performance, he is not entitled to any further indemnification claim besides of this, on the grounds of this specific defect.

(4) In case that the party liable is behind schedule with a principal service, the creditor may – after the expiry of a respite – furthermore insist on fulfillment, or he may withdraw from the contract, and ask for a

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compensation due to non-fulfillment. The respite must have duration of at least three (3), and needs to have only a maximum of fourteen (14) working days. As principal services are considered the delivery (dispatch, pick-up) of the merchandise, the supply of documents, the payment of the purchase price, the call-off, and all other activities which have been referred to as “principal service” in any other provision of these General Terms and Conditions.

§ 9 Reservation of Proprietary Rights

(1) Delivered merchandise remains the property of A2 Trading until the complete payment of the purchase price, as well as of all due, undue or all conditioned receivables resulting from the mutual business relationship, including all note receivables in the ownership of A2 Trading.

(2) The processing or using-up of such merchandise under reserve of propriety always is carried through on behalf of A2 Trading, whereas in doing so no accounts payable develop. In the event that merchandise under reserve of propriety is processed, used-up, mixed or combined with other merchandise which is not owned by A2 Trading, A2 Trading is entitled to a co-ownership of the new product, in fact in relationship of the value of the merchandise under reserve of proprietary rights, compared to the value of the other merchandise at the time of processing, using-up, blending, etc. The Buyer already now alienates his rights of co-ownership which might result from cases as described in the above sentence in advance to A2 Trading, in fact up to the amount of value of the merchandise under reservation of proprietary rights.

(3) The Buyer is entitled - subject to the provisions of passage 7 – to sell the merchandise under reservation within the scope of an orderly business transaction. Already now and in advance the Buyer transfers to A2 Trading all receivables which might be due to him as a result of an onward sale of the merchandise under reservation or of the merchandise which was freshly created by processing, using-up, blending, combining or mixing the former. This is also applicable in case the merchandise is sold together with other products which do not belong to the Seller at a lump sum price. In the event that a Third Party obtained proprietary or co-ownership rights on grounds of a legal prescription because of processing, using-up, blending, combining or mixing, the Buyer also now and in advance assigns to the Seller all entitlements which might become due to him towards the Third Party. Assignments in the sense of this passage are always carried out only up to the value of merchandise under reservation of proprietary rights. The Buyer is entitled to collect the assigned receivables until cancellation which is permissible at any time.

(4) The value of the merchandise under reservation of proprietary rights in the sense of the aforementioned passages is always to be understood as the price which was charged for the merchandise by A2 Trading (invoice price).

(5) At Buyer’s request A2 Trading will only release the securities as per own choice, as long as their value surmounts the value of the receivables to be safeguarded by more than 20%.

(6) In the case that the Buyer’s cooperation is needed for the validity of the Seller’s reservation of proprietary rights, e.g. in connection with registrations which are necessary according to the laws of the Buyer’s country, the Buyer has to execute such activities.

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(7) If the Buyer is overdue with his payment A2 Trading may prohibit the sale of the merchandise under reserve of proprietary rights, or the processing, using-up, blending, combining or mixing with other merchandise, etc. or the translocation of the same, and may also demand the surrender of the merchandise under reservation of proprietary rights respectively the processed or used-up merchandise. The Buyer is held to announce without delay any grasp by a Third Party for merchandise to which A2 Trading is entitled according to the afore mentioned provisions. The same is true with respect to all receivables which have been ceded in compliance with the aforementioned passages.

§ 10 Reservation of Punctual Supply to Ourselves

(1) In the event of Force Majeur, e.g. interruption of operations, delays of transportation, measures in the scope of industrial conflicts, particularly strike and lock-out, and also in the case of non-delivery, faulty or delayed delivery by our Suppliers, regardless because of which reason (reservation of punctual supply to ourselves), and also in the case of other hindrance of services for which A2 Trading is not answerable, A2 Trading is authorized to postpone the delivery for the duration of the impediment, plus an adequate ramp-up time. In the event that it could presumably be a permanent obstacle, we are entitled to deny the delivery of the merchandise partly or in full.

(2) On Buyer's request A2 Trading is obliged to provide evidence of a congruent covering contract to the Buyer, and to assign to him all receivables due resulting out of this towards his Supplier within fourteen (14) working days after receipt of the request; failing this, the Seller may not rely on the reservation of punctual supply to himself.

§ 11 Limitation of Claims

(1) Entitlements by law or contract because of delivery contrary to contract, including all claims by reason of direct or indirect losses by consequential damages due to defaults, fall under the statute of limitations after 6 months, counted from the arrival of the merchandise at the place of destination.

(2) All further claims of legal or contractual nature of the Parties involved shall become time-barred after 2 years at the latest, counted from the moment of transition of risks to the Buyer.

§ 12 Applicable Law

Incidentally, the respective material law existing in the Federal Republic of Germany at the time of conclusion of contract is applicable.

The act on the "UN Convention of April 11, 1980, concerning Contracts for the International Sale of Goods (CISG)" dated July 5, 1989, and/or other superseding laws may be applied complementary.

§ 13 Validity of INCOTERMS

(1) Any business terms agreed shall be valid as per INCOTERMS version of 2010 of the International Chamber of Commerce.

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(2) If a product is to be supplied „ franco“, the „Freight or Carriage Free“ of INCOTERMS version 2010 shall be applicable with the proviso that the Buyer bears the costs for the insurance until arrival of goods at the place of destination. The Place of Shipment is thus also the Place of Performance.

§ 14 Invalidity

(1) Amendments or additions to an agreement require the written form.

(2) Business transactions with enterprises are on par with business transactions with legal bodies or persons of private partnerships and with special funds under public law.

(3) In the event that any provision of this Agreement becomes partly or in full invalid, any other provisions of this Agreement shall not be affected by that invalidity. The invalid provision shall then be replaced by a legally valid provision which comes as closely to the regulating purpose under economic considerations of the invalid provision as may be legal. The same is applicable in the case of any possible loopholes in this Agreement.

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