

## General Purchase Conditions

### 1. Scope; conclusion of contracts

1.1 These Conditions of Purchase shall apply to deliveries and services of the Supplier, unless otherwise agreed. Other general standard terms and conditions, in particular standard terms and conditions of the Supplier, shall not apply even if they are not expressly objected to in an individual case or if ordered goods/services have been accepted without reservation.

1.2 Orders and their acceptance shall be in writing.

1.3 Oral agreements, of whatever nature, shall not be valid unless confirmed in writing by the Customer. Written form shall also include confirmations sent by email or fax.

1.4 If the Supplier does not accept orders within two weeks of their receipt, the Customer shall be authorised to revoke them at no cost.

1.5 The Supplier shall only assign third parties with order fulfillment in full or in part with the Customer's prior written approval.

1.6 These Conditions of Purchase shall only apply to business dealings.

### 2. Delivery; consequences of failure to meet delivery times

2.1 Agreed delivery times shall be binding. The Customer shall be notified without undue delay in writing of any circumstances which prevent the delivery time from being met or delay delivery. The time the goods are received or the service is completed at the Customer's premises or at the place where they are to be delivered/performed as stated in the order ("place of performance") shall determine whether the delivery time has been met.

2.2 Part deliveries shall require the consent of the Customer.

2.3 The Supplier is obliged to ensure that goods it has supplied or spare parts for them can be supplied to the Customer at reasonable terms and conditions for a period of 10 years after the last delivery. If the Supplier intends to discontinue supplying such goods or spare parts for them during this period of time or after this period of time expires, it shall inform the Customer immediately in writing and give the Customer the opportunity to place last orders.

2.4 If agreed delivery/performance times are not observed, the Customer can demand for each commenced week by which the deadline is over-

run an amount of 0.5%, but a maximum of 5%, of the total order value as a lump sum without having to furnish proof of damage or loss, unless otherwise agreed explicitly. In addition, the Customer shall be entitled to claim statutory rights. Acceptance of the delayed delivery or service shall not constitute any waiver of compensation. The Supplier shall be liable to pay the above even if no explicit reservation is specified when the goods or services are accepted.

### 3. Prices; terms of payment; transfer of risk

3.1 Unless otherwise agreed, the prices are delivered duty paid (DDP) in accordance with Incoterms 2010, including packaging plus statutory value-added tax.

3.2 Invoices can only be processed if – in accordance with the stipulations in the order – they specify the order number stated in the order and all other reference information; the Supplier shall be responsible for all the consequences of a failure to comply with this obligation, unless it proves that it is not to blame for said failure.

3.3 Unless otherwise agreed, invoices shall be settled within 14 days with a 3 % cash discount or net within 30 days as of the date the demand for payment is due and receipt of both the invoice and the goods/performance of the service.

3.4 The Supplier shall bear the risk of accidental loss and accidental deterioration of the goods until they have been accepted by the Customer or its agent at the place where the goods are to be delivered as stated in the order.

### 4. Acceptance

4.1 A formal acceptance by the Customer shall be required in case the supplier is to provide a work performance or work delivery. If the inspection of the work performance or work delivery requires putting it into operation, acceptance shall be made after putting into operation was free from defects. The acceptance shall, at the Customer's option, either take place at the Supplier's plant or at the place of delivery.

4.2 Acceptance shall be made by issuing an acceptance certificate.

Payments without reservation shall not constitute an acceptance or an approval of delivery items or a waiver of warranty claims.

4.3 All costs of acceptance shall be borne by the Supplier.

## 5. Shipment

5.1 Notification of shipment of the goods shall be given at the latest at the time the deliveries leave the Suppliers' premises. The shipping address and the Customer's order number, including the item number, shall be indicated on all shipment papers, bills of lading and parcel labels. Consignments for which the Customer has to bear all or part of the freight costs shall be transported at the lowest freight rates or according to the Customer's shipping instructions. Cartage at the place of destination will not be paid. The shipping instructions, in particular the place where the goods are to be delivered, which is also the place of performance, shall be stated in the order.

5.2 In order to prevent damage in transit due to the cargo being secured inadequately or not at all, the Supplier shall have the cargo secured by the carrier collecting it.

## 6. Packaging

6.1 The Supplier undertakes to ship its produced or processed goods only in packaging that is environmentally friendly in terms of type, shape and size and that complies with the latest version of official or other goods related applicable packaging regulations.

6.2 Irrespective of whether the packaging concerned is transport packaging, retail packaging or an outer protective wrapping, the Supplier agrees to take it back after use without any additional charge and to reuse or recycle it outside the public waste disposal system. The Customer undertakes to properly handle any reusable packaging identified by it as such and to make it available to the Supplier free of charge in the best possible condition.

## 7. Notice of defects

The Customer shall endeavour to check incoming deliveries for their correct quantity, damage in transit and obvious defects, insofar and as soon as this is expedient in the ordinary course of business. The Customer shall report defects as soon as they are discovered. In this regard, the argument of receiving delayed notice of defects (§ 377 HGB) is excluded.

## 8. Liability for defects

8.1 The Supplier warrants to the Customer that the ordered goods or services are free of defects as to quality and defects of title at the time of the passage of risk.

8.2 If the Customer informs the Supplier of the intended use and place of use of the goods to be

supplied, the Supplier warrants that its delivery and service are suitable for that use and place.

8.3 If a defect as to quality or a defect of title exists, the Customer shall be entitled to statutory warranty claims without reduction, unless otherwise agreed.

8.4 In principle, the Customer shall have the right to select the manner of remedy. If the Supplier does not begin with subsequent remedy as part of the contract, i.e. rectification of defects or delivery of a substitute, as soon as it has been requested to do so by the Customer, the Customer shall have the right in urgent cases, in particular to avert danger or avoid/limit damage, to carry out the manner of remedy selected by the Customer, or to have it carried out by a third party, at the expense of the Supplier. The Customer shall have the same right if rectification of defects or delivery of a substitute fails or is refused.

8.5 If claims are asserted against the Customer due to the infringement of third-party rights in connection with the Supplier's delivery/service, the Supplier shall be obliged to indemnify and hold harmless the Customer against these claims at the first written request. The Supplier's obligation to indemnify and hold harmless the Customer shall relate to all expenses necessarily incurred by the Customer from or in connection with the claims asserted against it by a third party.

8.6 Claims for defects shall become time barred after 24 months – except in cases of willful misconduct – starting from the day of acceptance, unless otherwise agreed. If the good or service delivered is used in a building, the Customer's warranty claims against the Supplier shall become time barred after 5 years after delivery of the good or provision of the service. If the Supplier meets its obligation to remedy a defect by supplying substitute goods, the period of limitation for said goods shall commence anew after they have been delivered.

The notice of defect suspends the limitation period for warranty claims regarding the delivery item concerned.

8.7. The Supplier undertakes to bear all installation and removal costs as well as transport costs to and from the place of use in cases where such costs have demonstrably been incurred due to deficient delivery/performance. The Customer therefore advises the Supplier to take out special liability insurance for installation, removal and transport costs to and from the place of use with coverage of at least €250,000.00 per damage event.

## 9. Software

9.1 The Customer shall obtain the right to use software that is part of the scope of delivery, including the documentation for it, with the agreed features, to the extent necessary for the contractual use of the software and as permitted by law (Sections 69a ff. UrhG (German Copyright Law)).

9.2 Before the software is shipped or installed on a system of the Customer or its end customers, the Supplier shall check it for viruses, Trojans and other computer malware using up-to-date, customary antivirus programmes.

## 10. Quality assurance

10.1 The Supplier undertakes to warrant permanent quality assurance for its goods by means of installation of an adequate quality assurance system, e.g. DIN EN ISO 9001 ff or similar and to undertake quality tests and checks that are prescribed by the Customer or which are otherwise suitable during and after production of its deliverables. The Supplier shall document these tests and checks.

10.2 The Customer shall have the right to require proof of the quality assurance system installed at the Supplier, to satisfy itself of how the quality tests and checks are carried out on site, including if applicable at subcontractors' premises and to conduct audits at the Supplier's site.

10.3 The Supplier shall immediately inform the Customer in writing of changes in the composition of the processed material or design of its deliveries or services without being requested to do so. The changes shall require the written consent of the Customer.

10.4 The quality assurance policy of the Customer disclosed to the Supplier and the quality assurance agreements concluded with the Supplier shall be part of the contract.

## 11. Requirements for marketing products; product liability

11.1 If the Supplier supplies products which fall under the scope of application of a European Directive for first-time placing on the market, such as the EU Machinery Directive, Pressure Equipment Directive, EMC Directive, etc., it undertakes that it shall comply with the relevant health and safety requirements and processes specified in them. The Supplier shall issue an EC declaration of conformity for its products and shall affix a CE mark, if stipulated in these Directives. In the case of partly completed machinery according to the EC Machinery Directive No. 2006/42/EC, the Supplier shall provide the Customer with a declaration of incorporation accord-

ing to Annex II B of the EC Machinery Directive in the form requested by the Customer (extended declaration of incorporation) and additionally provide instructions for use in accordance with Section 1.7.4 of Annex I of the EC Machinery Directive. If requested by the Customer, the Supplier shall at the Customer's discretion either allow the Customer to inspect the risk assessment created by it or shall provide it to the Customer.

11.2 If the Supplier is responsible for a damage outside the supplied goods and claims are asserted against the Customer pursuant to product liability law, the Supplier shall be obliged to indemnify and hold harmless the Customer in this regard against claims for damages by third parties at the first request, if the cause of the damage is in the sphere of responsibility of the Supplier and the Supplier itself is liable in relation to third parties.

11.3 As part of its liability under Section 11.2, the Supplier is also obliged to reimburse any expenses incurred by the Customer from or in connection with a warning issued or recall conducted by the Customer.

Where possible and reasonable, the Customer shall inform the Supplier of the content and scope of the measures to be performed and coordinate them with the Supplier. Other claims under product liability law shall remain unaffected.

11.4 The Customer advises the Supplier to maintain a product liability insurance to cover the risks from Sections 11.2 and 11.3, with coverage of at least €2,500,000.00 per damaging event.

## 12. Intellectual Property Rights

The Supplier shall be liable for claims arising from infringement of intellectual property rights or applications for intellectual property protection when the delivery is used in conformity with the contract. The Supplier shall indemnify and hold harmless the Customer, the Customer's contract partner and/or the user from any claims related to the use of such intellectual property rights.

## 13. Safety; protection of the environment

13.1 The Supplier shall ensure that its deliveries and services meet the environmental protection, accident prevention and work safety or further security or safety relevant regulations in force at the premises of the Customer or other place of performance if the Customer points out such regulations at said premises or place to the Supplier, in order to avoid or reduce harmful impacts on human beings and the environment. To this end, the Supplier shall install and enhance a management system, e.g. DIN EN ISO 14001 or simi-

lar. The Customer shall have the right, if applicable to require proof of the management system installed at the Supplier and to conduct audits at the Supplier's site.

13.2 The Supplier has to comply with the relevant provisions on the handling and placing on the market of hazardous goods as included amongst others in the EC Directive concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), the law on Chemical Substances and the ordinance on hazardous substances. The Supplier also has to observe the relevant provisions on the disposal of waste and recycling material and point out any product handling, product storage and disposal requirements to the Customer.

#### **14. Models and tools; confidentiality**

14.1 Any models and tools which are produced by the Supplier at the Customer's expense shall become the property of the Customer upon payment for them. They shall be treated with care by the Supplier, indicated as property of the Customer and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage. Resale of the parts produced using these models and tools shall not be permitted without the express written approval of the Customer.

14.2 Documents, drawings, plans and sketches and other know-how of the Customer which the Customer entrusts to the Supplier for producing the ordered delivery and/or service, in whatever form (in writing, by fax, by e-mail or on electronic data carrier) shall remain the property of the Customer.

They are trade secrets of the Customer and shall be treated confidentially. The Supplier undertakes to treat them with care, to make them available only to employees who need them for fulfilling the contract and who are in turn obligated to maintain confidentiality, not to make them available to third parties, to make copies only for the purpose of executing the order, and to return all documents, including copies of them, to the Customer upon completion of delivery.

#### **15. General Data Protection Regulation**

Under Article 6 of the General Data Protection Regulation (GDPR), the Customer is entitled to store, transmit, revise and delete any person-related data of the Supplier in course of business transactions. The data are stored in the ERP and/or SRM system of the Leadec Group. The

Supplier is notified of this in accordance with Article 12 GDPR. More details regarding handling of data can be found on our website.

#### **16. Export control**

16.1 If requested by the Customer, the Supplier must submit a supplier's declaration to satisfy the requirements of EU Directive 2015/2447. The Supplier must provide the Customer with it in good time, at the latest on the acceptance of an order. If long-term supplier declarations are used, the Supplier must notify the Customer in writing of any changes in the originating status when an order is accepted. The actual country of origin must be stated on the shipping documents in all cases, even if no preferential status applies.

16.2 The Supplier must inform the Customer of any approvals required on the (re-)export of its goods by German, European, US or other applicable export or customs regulations. For this purpose the Supplier will, insofar as this was not already provided in its offer, supply the following information next to the relevant item references at the Customer's request when an order is accepted and on every delivery note:

- The commodity code (HS code)
- The AL number (export list number) in accordance with Annexes I and IV of the EC Dual-Use Regulation No. 428/2009 in its valid version or Part I of the export list (Annex "AL" of the German Foreign Trade and Payments Regulation (AWV))
- The ECCN (Export Control Classification Number) in accordance with US export law.

16.3 At the request of the Customer, the Supplier shall be obliged to inform the Customer in writing of all further foreign trade data related to the goods and its components, as well as inform the Customer immediately in writing of all changes to the data specified in Section 16.2.

16.4 If details in accordance with the previous sections are not provided or are provided incorrectly, the Customer shall, without prejudice to further rights be authorised to withdraw from the contract.

#### **17. Insolvency of the Supplier**

If the Supplier suspends payments or if the Supplier or one of its creditors files for insolvency proceedings on the Supplier's assets or similar proceedings on debt clearing, the Customer can, without prejudice to its other statutory and contractual rights, at its discretion terminate the contract and/or enter into the contracts of the Supplier with its subcontractors.

## **18. Entrepreneurial responsibility; Code of Conduct**

The Supplier declares its commitment within the scope of its entrepreneurial responsibility to ensure that it complies with legal provisions, including environmental protection laws, regulations relating to labour law and laws on the safety of employees, and does not tolerate child or forced labour in or in relation to the production (incl. sourcing and use of raw materials) and sale of its goods or the provision of its services. Upon accepting the order, the Supplier further confirms that it shall not commit or tolerate any form of bribery and corruption and to observe the provisions of the Leadec Code of Conduct.

## **19. Force Majeure**

Force majeure, labor disputes, civil disorder, governmental actions, pandemic, epidemic and other unforeseeable and unavoidable events of major significance release the contracting parties from their performance obligations for the duration of the disturbance to the extent of the impact thereof. The same applies if these events take place when performance by the contracting party affected is already overdue. The contracting parties are required to provide the information reasonably necessary without delay and to adjust their mutual obligations to the altered circumstances in accordance with the principle of good faith dealing.

## **20. General provisions**

20.1 The assignment of claims without the express written approval of the Customer shall be excluded.

20.2 The contract shall be subject to German Law excluding its conflict of law rules, even in the case of orders abroad. The U.N. Convention on Contracts for the International Sale of Goods shall not apply.

20.3 Irrespective of the place from which the Supplier ships the consignment, the courts of laws with competence for the Customer's place of business shall have jurisdiction and venue for both parties. The Customer can also take legal action at the Supplier's place of business.

20.4 If individual provisions of these Conditions of Purchase are or become invalid in full or in part, this shall not affect the remaining provisions.