

General Terms and Conditions for Purchase of the Mehler Group

The present general terms and conditions for purchase (hereinafter referred to as "GTC") are valid for the companies listed here in the following:

MEHLER VARIO SYSTEM GMBH, EDELZELLER STR. 51, 36043 FULDA

MEHLER ENGINEERED DEFENCE GMBH, KUPFERMÜHLENBERG 2, 38154 KÖNIGSLUTTER

LINDNERHOF-TAKTIK GMBH, ISARRING 3, 83661 LENGGRIES

MEHLER LAW ENFORCEMENT GMBH, EDELZELLER STR. 51 · D-36043 FULDA

(hereinafter referred to as "MEHLER/LINDNERHOF", "we", "us")

§ 1 General Terms and Conditions

- 1.1 The present General Terms and Conditions apply for all business relationships between the company MEHLER/LINDNERHOF and our suppliers. Our offers are always based on the present General Terms and Conditions.
- 1.2 These General Terms and Conditions apply in particular to contracts for the sale and/or for the delivery of equipment (hereinafter referred to as "**goods**"), regardless of whether the supplier manufactures the goods itself or purchases them from suppliers (articles 433 and 651 BGB, German Civil Code, Bürgerliches Gesetzbuch). Unless otherwise agreed, the General Terms and Conditions in the version valid at the time of the placement of the order by MEHLER/LINDNERHOF and communicated to the supplier in text form will apply as a framework agreement also for similar contracts entered into in the future, without MEHLER/LINDNERHOF having to refer to them again in each individual case.
- 1.3 The legal relationships established between us and the supplier are governed by the present General Terms and Conditions and by any other agreements made in written. Contracts, orders, agreements as well as changes and additions to the contract shall be executed in a written form in order to be valid. In addition, any deviations from the made agreements and our orders will be only effective with our prior written approval.
- 1.4 The present General Terms and Conditions shall apply in an exclusive manner. Deviating, conflicting or supplementary general terms and conditions of our suppliers or of third parties will not be applied, even if we do not separately oppose to the validity of the latter in individual cases. The General Terms and Conditions of the supplier or of third parties shall only become part of the contract in so far as the company MEHLER/LINDNERHOF has expressly agreed to the validity of the same. This approval requirement also applies in particular in the event the company MEHLER/LINDNERHOF accepts the deliveries without reservation knowing the General Terms and Conditions of the supplier or a third party or if MEHLER/LINDNERHOF refers to a letter containing or referring to the said General Terms and Conditions of the supplier or of a third party. The acceptance of the deliveries from the supplier and/or their payment does not imply any acceptance of the General Terms and Conditions of the supplier.

- 1.5 The supplier recognizes the exclusive applicability of our General Terms and Conditions by confirming the request or the order at the latest with the execution of the request for the duration of the entire business relationship, even if he refers to his own General Terms and Conditions.
- 1.6 The General Terms and Conditions shall only be applied in the event the supplier is a contractor as defined under the article 14 of the German Civil Code (BGB, Bürgerliches Gesetzbuch), a legal entity under public law, or a special public fund under public law.

§ 2 Conclusion of the Contract

- 2.1 All orders of the company MEHLER/LINDNERHOF are considered compulsory at the earliest upon written submission or written confirmation and their respective receipt by the supplier. The supplier must inform MEHLER/LINDNERHOF of obvious errors included in the said orders (for example spelling and calculation errors) and incompleteness of the order including the order documentation for the purpose of the correction or completion of the same prior the acceptance.
- 2.2 Unless otherwise stipulated in our order, the supplier will be entitled to accept the order within a period of three (3) working days after receipt thereof by written confirmation (for example by order confirmation). The written form will be maintained as well in case of a transmission made by fax or e-mail.
- 2.3 A delayed acceptance is considered as a new offer and will require the acceptance of MEHLER/LINDNERHOF.

§ 3 Contract documents (offers, order, and order confirmation)

- 3.1 All order confirmations, quality inspection certificates (hereinafter referred to as "**work test certificates**"), delivery documents and invoices of the supplier shall state our order number as well as the article number, the delivery quantity as well as the delivery address.
- 3.2 As long as the supplier has not yet fulfilled its obligations, the company MEHLER/LINDNERHOF is entitled to demand reasonable modifications to the order for what concerns their design, execution, quantity and delivery time. The effects (for example additional or reduced costs, delivery dates, etc.) must be mutually agreed between the involved parties. The company MEHLER/LINDNERHOF may request additional changes to the goods after having entered the contract, as far as is objectively reasonable for the supplier. In the case of the said modification of the contract, the effects of both parties, especially with regard to the additional or reduced costs as well as the delivery dates, must be mutually agreed between them.
- 3.3 Inspections or visits to the supplier in the course of the preparation of the offer as well as the elaborations of offers, projects, etc. will not be remunerated by us, unless the remuneration has been expressly agreed between the involved parties.

§ 4 Records, ownership, and confidentiality

- 4.1 The illustrations, drawings, models, tools, calculations, samples, data, information on weights, utility values, load capacities, tolerances, and dimensions as well as other technical data and performance descriptions contained in the order and in the records associated with it, as well as other company or inter-company standards, are to be understood as a quality agreement.
- 4.2 Illustrations, drawings, data, photos, calculations, models, samples, and other documents provided by the company MEHLER/LINDNERHOF to the supplier (hereinafter referred to as "**MEHLER/LINDNERHOF documents**") are the property of the company MEHLER/LINDNERHOF. In this context, the company

MEHLER/LINDNERHOF reserves its right of ownership and copyrights to the documents of MEHLER/LINDNERHOF. The supplier undertakes to use the company MEHLER/LINDNERHOF documents exclusively for the provision of its contractually owed services. The above-mentioned will also apply to all documents belonging to the company MEHLER/LINDNERHOF and marked as "confidential" documents.

- 4.3 The MEHLER/LINDNERHOF's documents and the MEHLER/LINDNERHOF's documents marked as "confidential" (hereinafter collectively referred to as "**MEHLER/LINDNERHOF confidential documents**") shall be kept secret from third parties as well as customers and competitors of MEHLER/LINDNERHOF (hereinafter collectively referred to as "third parties") during the term of the contract and after termination of the contract. The supplier can't pass on MEHLER/LINDNERHOF's confidential documents as such or their contents to third parties or put them at disposal of third parties in any other manner, disclose them, use them himself or through third parties, exploit them for his own business purposes or reproduce them without the company's MEHLER/LINDNERHOF express its prior written consent to do so. The supplier is also entitled to impose this obligation on its employees insofar as they require confidential documents from MEHLER/LINDNERHOF to perform their own tasks.
- 4.4 At MEHLER/LINDNERHOF's request, the supplier must immediately return MEHLER/LINDNERHOF's confidential documents in full, including any copies made thereof and any records prepared therefrom, to MEHLER/LINDNERHOF, destroy them and/or delete them on its own (mobile) devices or storage media if they are no longer required by the supplier in the ordinary course of business or if negotiations between the parties do not lead to the conclusion of a contract. If the company MEHLER/LINDNERHOF requests the destruction of MEHLER/LINDNERHOF's confidential documents, the supplier must provide the company MEHLER/LINDNERHOF with written proof thereof.
- 4.5 In the event that the parties conclude a framework agreement or other continuing obligation (hereinafter referred to as "**Framework Agreement**"), the following applies: After termination of the framework agreement, the supplier shall immediately return all confidential documents of MEHLER/LINDNERHOF made accessible to it, in particular documents, written materials, copies, models as well as samples, etc., without being requested to do so by the company MEHLER/LINDNERHOF, and must delete them on its own (mobile) devices or storage media. A right of retention cannot be asserted by the supplier in this context. At the request of the company MEHLER/LINDNERHOF, the supplier must ensure that it no longer has any documents, including copies thereof or other multiple copies, including in electronic form, in its possession or the possibility of obtaining access thereto. The obligation to delete or destroy does not apply to duplications that are required to comply with the supplier's legal retention obligations.

§ 5 Quality, changes in product components and production processes

- 5.1 The following regulations shall apply to the delivery of goods:
- i) All contracts are based on the quality agreement agreed with the supplier pursuant to clause 4.1 of the General Purchasing Terms and, if applicable, on further product specifications, agreed product qualities, technical drawings, and other product-specific documents. Likewise, the production samples approved between the supplier and MEHLER/LINDNERHOF form the basis of the contract.
 - j) With each delivery, the supplier commits itself to issue a factory test certificate in accordance with the DIN 55350-18-4.1.2. The supplier undertakes to write down our order number, article number and delivery note number in the factory test certificate.
 - k) The supplier undertakes to inform the company MEHLER/LINDNERHOF in writing without delay of any deviations or changes in the product specifications and/or product composition compared to the agreed product

specifications and/or product composition. Deviations or changes in the product specifications and/or product composition as well as any resulting effects and risks on the agreed quality of the goods must be expressly stated in the report. Additionally, the deviating or modified product specifications and/or product composition must be released by the company MEHLER/LINDNERHOF with help of renewed quality and safety tests, adaptation of specifications, product release samples and certificates.

- l) The supplier must notify the company MEHLER/LINDNERHOF immediately in writing of any modification in the supplier's production location or the production process or the specific settings in the production process by the supplier after the release of the production location and/or the production samples on which the contract is based. The changes to the procedures and the resulting effects as well as risks to the agreed quality of the goods must be expressly listed in the said notification. Any additional costs incurred by the company MEHLER/LINDNERHOF due to changes initiated by the supplier are borne by the supplier.
 - m) Regardless of a successful initial sample, the supplier must constantly check the quality of the goods and regularly carry out requalification tests and inform the company MEHLER/LINDNERHOF of the results of these tests in writing at regular intervals (at least once a month). In addition, the parties shall inform each other of any quality improvement measures.
 - n) The supplier commits itself to comply with the applicable environmental protection laws, to continuously improve the operational environmental for the protection and to avoid environmental pollution. During the production of the goods, the supplier must ensure that the production materials provided by the company MEHLER/LINDNERHOF and the energy sources required are used in a resource-saving manner. Additionally, the supplier will sort the waste products resulting from the production in accordance with the supplier's customary national regulations and bring them into a recycling cycle.
 - o) The supplier has the obligation to comply with the requirements of Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (hereinafter referred to as "**REACH**"). Products that do not fully comply with the requirements of REACH cannot be supplied to us.
 - p) The supplier guarantees that the goods comply with the latest state of the art as well as the relevant statutory provisions. For this purpose, the supplier will carry out suitable inspection measures prior to the delivery of the goods by performing quality assurance appropriate to the type and scope of the delivery and in accordance with the state of the art. Upon request, the supplier will provide the company MEHLER/LINDNERHOF with written evidence that these measures have been carried out.
- 5.2 Any modifications to the conditions mentioned under article 5.1 must be made in writing.

§ 6 Provided items

- 6.1 All items provided by the company MEHLER/LINDNERHOF to the supplier (for example. documents, materials, software, finished and semi-finished products, tools, samples, models, templates, drawings, and other means of production) as well as for moulds, devices, test setups, machines, equipment, templates and other items (hereinafter collectively referred to as "**provided items**") will be part of the property of the company MEHLER/LINDNERHOF.
- 6.2 The said provided items as well as goods manufactured therefrom and not yet delivered will be marked by the supplier as being part of the property of the company MEHLER/LINDNERHOF at the supplier's expense and must be stored separately from the property of the said third-party.

- 6.3 The provided items and goods are intended for exclusive use by the company MEHLER/LINDNERHOF. Any processing or restructuring of the provided items by which a new item is manufactured will be carried out by the supplier on behalf of the company MEHLER/LINDNERHOF. In the said cases, the supplier does not acquire the ownership of the provided items. In this context, it is agreed that the company MEHLER/LINDNERHOF is the manufacturer under the article 950 of the German Civil Code BGB and accordingly acquires the ownership rights to the newly manufactured item. For all the cases of processing in accordance with the article 950 of the German Civil Code BGB (whereby this aspect applies especially in the event the provided items will be processed with other items not belonging to the company MEHLER/LINDNERHOF) as well as combination and mixing in accordance with the articles 947 and 948 of the German Civile Code BGB, the supplier and the company MEHLER/LINDNERHOF hereby agree that all ownership rights to the new, unified item shall automatically be transferred to the company MEHLER/LINDNERHOF. The said transfer will be replaced by the agreement in which the supplier must keep the new item for MEHLER/LINDNERHOF. In the event the supplier's cooperation is required for the transfer of ownership rights to the newly manufactured or new, uniform item, the supplier will commit itself to undertake all actions required for the transfer of ownership (for example in particular to undertake cooperation actions; to provide documents and records in a suitable form). If the order is passed on to subcontractors, the supplier will have the additional obligation to enter into an identical agreement in favour of the company MEHLER/LINDNERHOF with such subcontractors as well as an agreement obligating the subcontractor to unconditionally surrender the new, uniform item to the company MEHLER/LINDNERHOF at any time.
- 6.4 The provided items as well as goods manufactured therefrom must be treated with care by the supplier until the time at which they are completely handed over to MEHLER/LINDNERHOF by the supplier. In this context, the supplier must insure the provided items and goods at his own expense in full at replacement value against the usual dangers, in particular against fire, water damage and theft. If maintenance and inspection work become necessary, the supplier must carry it out on time at his own expense.
- 6.5 The supplier must immediately inform the company MEHLER/LINDNERHOF in writing if MEHLER/LINDNERHOF's rights to the provided items or goods manufactured therefrom but not yet delivered are impaired by seizure or by other measures taken by third parties. The supplier must attach to its notification all documents required for intervention (for example in the case of attachment including a copy of the attachment order and an affirmation in lieu of an oath that and to what extent the attached items are identical with the items transferred under this contract). The supplier must immediately inform attaching creditors and other third parties in writing of MEHLER/LINDNERHOF's rights to the provided items and/or goods.

§ 7 Prices, terms of payment, and invoices

- 7.1 The prices shown in the order from the company MEHLER/LINDNERHOF are mandatory. Unless otherwise specified by the company MEHLER/LINDNERHOF (especially in the purchase order), all the prices are quoted by MEHLER/LINDNERHOF DDP Incoterms® 2020.
- 7.2 All prices are expressed in Euro and will also include the statutory value added tax, in the event this is not shown separately.
- 7.3 Except where otherwise stated in individual cases, the prices agreed with the supplier will be fixed prices and therefore they will exclude any additional claims by the supplier.
- 7.4 The said prices will include all services and ancillary services performed by the supplier (for example customs, assembly, installation) as well as all additional costs (for example the costs for customs formalities,

costs of transport including proper packaging and transport packaging as well as potential transport and liability insurance). If, according to the agreement entered into, the price does not include packaging and the remuneration for the packaging - which is not only provided on loan - is not expressly determined, this will be charged at the verifiable cost price.

- 7.5 Invoices are issued stating our complete order data (particularly order number, date, delivery note number). If the supplier does not meet this condition, we won't be responsible for any delays in invoice processing and payment settlement resulting therefrom. If individual order data is missing and payment is delayed as a result, the agreed payment periods (cf. under article 7.6) might be extended by the period of the delay.
- 7.6 The prices agreed are due for payment within thirty (30) calendar days of complete delivery and performance by the supplier (including any agreed acceptance) and receipt of a proper invoice. If premature deliveries are accepted, the due date is not based on the delivery or service time, but on the delivery date agreed. If the company MEHLER/LINDNERHOF provides the payment within ten (10) calendar days, the supplier grants us a 2% discount on the net amount of the invoice. In the case of bank transfers, the payment is made on time if the transfer order from the company MEHLER/LINDNERHOF is received by the company's bank before the payment deadline has expired; MEHLER/LINDNERHOF shall not be responsible for any delays caused by the banks involved in the payment process.
- 7.7 The company MEHLER/LINDNERHOF is entitled to set-off rights and retention as well as the defence of non-performance of the contract to the extent provided by law. In particular, the company MEHLER/LINDNERHOF is entitled to withhold payments due as long as the company is still entitled to claims against the supplier arising from incomplete or defective performance.
- 7.8 The supplier only has a set-off right or retention based on counterclaims that have been legally established or are undisputed.
- 7.9 The company MEHLER/LINDNERHOF does not owe any maturity interest. The legal provisions shall apply to the default of payment.

§ 8 Terms of delivery and transfer of risk

- 8.1 Unless otherwise agreed, the supplier's deliveries - including packaging material - DDP Incoterms® 2020 are made at the place specified in the purchase order (hereinafter referred to as "**place of destination**"). If the destination is not specified and nothing else has been agreed, the delivery has to be made to the company MEHLER/LINDNERHOF's registered office. The specified destination is also the place of performance for delivery and any subsequent performance (debt to be charged at creditor's domicile).
- 8.2 A delivery note must be attached to each delivery with complete information on the order (including the date (issue and dispatch), the content of the delivery (item number and quantity) and the company MEHLER/LINDNERHOF's purchase order identifier (date and number). If the delivery bill is missing or incomplete, the company MEHLER/LINDNERHOF is not responsible for any resulting delays in processing and payment. Separately from the delivery note, the company MEHLER/LINDNERHOF must be sent a corresponding shipping notice with delivery note and factory test certificate on the day the delivery is shipped.
- 8.3 Any partial deliveries will only be permitted if the parties have agreed upon them in writing.
- 8.4 The risk of accidental loss and accidental deterioration of the item shall pass to the company MEHLER/LINDNERHOF upon handover at the place of performance. Insofar as acceptance has been agreed, this shall be decisive for the transfer of risk. For the rest as well, the legal provisions of the contract-

for-work legislation apply accordingly for acceptance. The transfer of risk or acceptance also takes place when we are in default of acceptance.

- 8.5 Upon default of acceptance of the company MEHLER/LINDNERHOF the statutory provisions apply. The supplier must also expressly offer its services to MEHLER/LINDNERHOF if a specific or determinable calendar time has been agreed for an action or cooperation by the company MEHLER/LINDNERHOF (for example provision of tools). If the company MEHLER/LINDNERHOF is in default of acceptance, the supplier can demand compensation of its additional expenses in accordance with the statutory provisions (article 304 of the BGB). If the contract concerns a specific item to be manufactured by the supplier (custom production), the supplier can only be entitled to further rights if MEHLER/LINDNERHOF undertakes to cooperate and is responsible for the failure to cooperate.
- 8.6 The proofs of origin requested by us (for example supplier's declarations, movement certificates) must be provided to us by the supplier with all necessary details and signed without delay at his own expense.

§ 9 Delivery time, delivery date and delay in delivery

- 9.1 The delivery dates and the delivery times specified in the order are compulsory. If no delivery date and/or delivery time is specified in the order and has not been agreed otherwise, the delivery time must be two (2) calendar weeks for standardized goods and eight (8) calendar weeks for goods manufactured according to individual specifications from the conclusion of the contract. The receipt of the goods at the place of destination specified in our order and, if not specified, at the place of destination specified under article 8.1 will be decisive for the compliance with the delivery time and the delivery date.
- 9.2 The supplier has the obligation to immediately inform us in writing if circumstances arise or become apparent to him which indicate that the supplier will not be able to comply with the delivery date agreed and/or with the delivery time agreed.
- 9.3 If the agreed delivery dates and the agreed delivery times are exceeded, the supplier will be in delay without the need of a reminder, insofar as a specific date is directly or indirectly fixed by the agreed delivery dates and delivery times.
- 9.4 In case of delay on the part of the supplier, we will be entitled to claims and rights in accordance with the statutory provisions, including the right of withdrawal and the right to damage compensation. In this context, the provision of the article 9.5 will remain unaffected.
- 9.5 In the event of a culpable delay in delivery by the supplier, in addition to further statutory claims, we will be entitled to demand a contractual penalty to be paid by the supplier and amounting to 0.5% of the respective net or value of the goods delivered with delay per calendar week or part thereof. However, the total of the said penalty must not exceed the value of 5% of the net order value of the goods which have been delivered with delay. Any further claims for damages will remain unaffected by this rule. The contractual penalty paid by the supplier will then be set off against the damage caused by the delay which must be compensated by the supplier.

§ 10 Packaging

- 10.1 The supplier's obligation to take back the packaging is based on the statutory provisions. If there is any legal withdrawal requirement, the supplier must take back the packaging at our request and at his own expenses.
- 10.2 Furthermore, the supplier must pack the goods in an appropriate manner for their preservation and protection. In particular, the goods must be packed in such a way to avoid any transport damages. Packaging

materials are only to be used to the extent required in order to achieve the said purpose. Only environmentally friendly, recyclable packaging materials must be used.

- 10.3 As far as, according to the agreement made, the price does not include packaging and packages - not only provided to us on loan - are invoiced separately, we will be entitled to return this packaging to the supplier carriage paid after receipt of the corresponding goods, as far as they are still in a reusable condition, against payment of 2/3 of the invoice amount attributable to the packaging.

§ 11 Subcontractors

- 11.1 The supplier is not entitled to have the services owed by him performed by third parties (hereinafter referred to as the "**subcontractors**") without the prior written consent of MEHLER/LINDNERHOF. If the company MEHLER/LINDNERHOF has given its prior written consent and the supplier submits an order with a subcontractor, the supplier will have the obligation to implement the contractual conditions of the General Terms and Conditions, the order as well as the contract towards its subcontractor as well.
- 11.2 The company MEHLER/LINDNERHOF may demand that the supplier provides the company MEHLER/LINDNERHOF with the agreements to be entered into between the supplier and its subcontractor written in German or English and agree on a corresponding exception to any existing confidentiality obligation.

§ 12 Inspection for defects and liability for defects

- 12.1 For the company MEHLER/LINDNERHOF's rights in the case of material and legal defects in the goods as well as other breaches of duty by the supplier, the statutory provisions will be applied, unless otherwise specified below.
- 12.2 In accordance with the statutory provisions, the supplier must be liable particularly for ensuring that the goods have the agreed quality when the respective risk is transferred to the company MEHLER/LINDNERHOF. In any case, those product descriptions which - in particular by designation or reference in the company MEHLER/LINDNERHOF's order - are the subject of the respective contract or have been incorporated into the contract in the same manner as the General Terms and Conditions shall be deemed to be an agreement regarding the quality. For this reason, it makes no difference whether the product description comes from the company MEHLER/LINDNERHOF, from the supplier or from the manufacturer. The product properties based on the product specifications agreed and technical drawings can be verified by the works test certificate.
- 12.3 The statutory provisions (under the articles 377 and 381 of the German Commercial Code (HGB, Handelsgesetzbuch)) shall be applied to the duty to inspect and to report any defects being subject to the provision indicated in the following: the company MEHLER/LINDNERHOF's duty to inspect, during MEHLER/LINDNERHOF's incoming goods inspection under external examination, including the delivery documents (for example any damages occurring during the transport, wrong and short delivery) or being identifiable during MEHLER/LINDNERHOF's quality control in the course of the sampling procedure. As far as acceptance has been agreed, there shall be no obligation to carry out any inspection. In other respects, it depends on the extent to which an investigation is feasible in the ordinary course of business whereby in this context the circumstances of the individual case must be taken into consideration. However, the obligation of the company MEHLER/LINDNERHOF to give notice of defects discovered at a later stage will remain unaffected by this aspect. Notwithstanding duty of the company MEHLER/LINDNERHOF to carry out an inspection, the company's complaint (the so-called notice of defect) shall be deemed to have been carried out without any undue delay and on time if it is sent within a term of five (5) working days from the date of

its discovery or, in the case there are obvious defects. In this context, the term business day means any day that is not a Saturday, Sunday, or public holiday in Germany and on which bank branches in Germany are open for business transactions. Upon receipt of our written notice of defects by the supplier, the limitation period for warranty claims will be subject to suspension.

- 12.4 Furthermore, the subsequent performance includes the removal of the defective goods and re-installation, whereby this applies provided that the said goods have been installed in another item or have been attached to another item in accordance with their nature and intended use; the company MEHLER/LINDNERHOF's statutory claim for compensation of corresponding expenses remains unaffected by it. However, the supplier must bear all expenses required for the purpose of inspection and subsequent performance even if it turns out that there was no defect. The liability of the company MEHLER/LINDNERHOF for damages in the event of an unjustified request for rectification of defects remains unaffected; in this respect, however, the company MEHLER/LINDNERHOF is only liable if MEHLER/LINDNERHOF recognised or was grossly negligent failing to recognise the absence of defect.
- 12.5 Irrespective of MEHLER/LINDNERHOF's legal rights and the regulations stated under the article 12.4, the following principle will be applied: In any case, the company MEHLER/LINDNERHOF is entitled to demand that the supplier either **rectify the defect** (hereinafter referred to as the **"subsequent improvement"**) or deliver an item being free from any defects (hereinafter referred to as the **"replacement delivery"**). If the supplier does not comply with its obligation to provide the said replacement delivery within a reasonable period set by MEHLER/LINDNERHOF, the company is entitled to remedy the defect itself and to demand the corresponding compensation from the supplier for the required expenses or a corresponding advance payment. If the supplementary performance by the supplier has failed or is unreasonable for the company MEHLER/LINDNERHOF (for example caused by a particular urgency, a threat to operational safety or an impending occurrence of disproportionate damage), no deadline shall be required; the company MEHLER/LINDNERHOF will notify the supplier of such circumstances immediately, and if this is feasible this must be done in advance.
- 12.6 Otherwise, the company MEHLER/LINDNERHOF is entitled to reduce the purchase price or to withdraw from the contract in the event of a material defect or a defect of title in accordance with the valid statutory provisions. In addition, the company MEHLER/LINDNERHOF will be entitled to claim damages and compensation of expenses in accordance with the valid statutory provisions.
- 12.7 In case of a replacement delivery or in case the defect is rectified, the warranty period begins again for what concerns the replaced or repaired components, unless based on the supplier's behaviour we had to assume that the latter did not feel obligated to undertake any measure but instead provided the replacement delivery or rectified the defect only as a gesture of goodwill or for any similar reasons.

§ 13 Product liability, indemnity, and insurance

- 13.1 As far as claims are asserted against the company MEHLER/LINDNERHOF by third parties based on the valid product liability law due to defects concerning the goods delivered by the supplier or other causes within the supplier's sphere of competence, the supplier must indemnify the company MEHLER/LINDNERHOF against the said claims to the extent that the supplier itself would be liable in the external relationship. This aspect also includes the indemnification against the reasonable and necessary costs occurring for legal defence. The supplier will support the company MEHLER/LINDNERHOF in its legal defence against such third party's claims without any delay and without appealing the right to refusal performance.

- 13.2 Within the scope of its indemnification obligation, the supplier must refund the expenses in accordance with the articles 683 and 670 of the German Civil Code (BGB, Bürgerliches Gesetzbuch) arising from or in connection with a claim by third parties, including all recall actions carried out by the company MEHLER/LINDNERHOF. In this context, we will inform the supplier about the content and scope of the recall measures to be carried out. This will be done to the feasible and reasonable extent possible in order to give the chance to the supplier to comment. Any other statutory claims will remain unaffected by it.
- 13.3 Insofar as findings from the supplier's own product monitoring, statements by third parties or measures taken by authorities indicate that the contractual products could have safety-relevant defects, the supplier must write an immediate written report addressed to the company MEHLER/LINDNERHOF by keeping the latter informed from then on without being requested to do so.
- 13.4 The supplier shall take out and maintain product liability and recall insurance with a lump sum insured and amounting to a minimum of 10 million euros per personal injury and/or property damage and, upon the request made by the company MEHLER/LINDNERHOF, the supplier must provide evidence of this by submitting the relevant insurance policy and the corresponding proof of payment of the insurance fee. If we are entitled to further claims for damages, these will remain unaffected by this.
- 13.5 In addition, upon request, the supplier must prove to us the existence of a business liability insurance by submitting the corresponding insurance policy and proof of payment of the insurance fee.

§ 14 Limitation Period

- 14.1 The mutual claims of the parties become statute-barred in accordance with the valid statutory provisions, unless otherwise stipulated here in the following.
- 14.2 In derogation of what stated under article 438, section 1, number BGB (German Civil Code, Bürgerliches Gesetzbuch), the general limitation period for claims based on defects must be of three (3) years from the date of the risk transfer. As far as any acceptance has been agreed upon, the period of limitation will start upon acceptance. The three-year limitation period also applies accordingly to claims arising from defects of title, whereby the statutory limitation period for third party claims to surrender in rem (article 438, section. 1 No. 1 BGB (German Civil Code) remains unaffected; furthermore, all claims arising from defects of title shall become time-barred in no case as long as the third party can still assert the right against our company, especially for lack of limitation.
- 14.3 The limitation periods of the law on sales including the above extension will be applied - to the legally prescribed extent - to all contractual claims for defects. Insofar as the company MEHLER/LINDNERHOF is also entitled to non-contractual claims for damages due to a defect, the regular statutory period of limitation will be applied (as prescribed under the articles 195 and 199 of the German Civil Code BGB, Bürgerliches Gesetzbuch), unless the application of the limitation periods of the law of sales results in a longer limitation period to be applied in individual cases.

§ 15 Property rights

- 15.1 The supplier warrants that the goods delivered by it are free from any property rights, copyrights, or industrial property rights of third parties (particularly trademark, company, name, patent, utility model or design rights) impairing or excluding the free use of the goods.
- 15.2 In the case that the goods infringe property rights, copyrights, or industrial property rights of a third party, the supplier will

- notify the company MEHLER/LINDNERHOF in writing immediately after having become aware of the infringement of such rights,
- modify or replace the goods at its own reasonable discretion and at its own expense, in a way that no third-party rights are infringed any more, but the goods continue to fulfil the contractually agreed functions and quality (particularly the agreed quality requirements and characteristics as well as the technical data). If the supplier fails to do so within a reasonable period of time, the company MEHLER/LINDNERHOF is entitled to withdraw from the contract or to terminate the contract, whereby this will apply without any prejudice to further rights for good cause, and
- Furthermore, the company MEHLER/LINDNERHOF shall indemnify upon first request against all claims made by third parties in connection with the infringement, unless the supplier is not responsible for the infringement or the claims of the respective third party are time-barred.

§ 16 Transfer of the ownership of the goods and retention of title

- 16.1 The transfer of the ownership of the goods to the company MEHLER/LINDNERHOF must take place unconditionally and regardless of the payment of their price. In this context, we do not recognise an extended or prolonged retention of title by the supplier since any agreement of such a retention of title will require our separate prior written consent.
- 16.2 However, in the event the company MEHLER/LINDNERHOF accepts an offer from the supplier to transfer ownership upon condition of payment of the purchase price in single cases, the supplier's retention of title shall expire at the latest upon payment of the purchase price for the delivered goods. The company MEHLER/LINDNERHOF remains authorised in the ordinary course of business to resell the goods under advance assignment of the resulting claim, including the transfer before the payment of the purchase price (alternatively, application of the simple retention of title extended to the resale). This excludes all other forms of retention of title, in particular the extended retention of title, the passed-on retention of title and the retention of title extended to further processing.

§ 17 MEHLER/LINDNERHOF Tools

- 17.1 Tools, parts, moulds, devices, test setups, machines, and equipment (hereinafter collectively referred to as “MEHLER/LINDNERHOF Tools”) provided by the company MEHLER/LINDNERHOF will be used by the supplier exclusively to produce the goods ordered by the company MEHLER/LINDNERHOF from suppliers. The MEHLER/LINDNERHOF tools will remain the property of the company MEHLER/LINDNERHOF. In this context, the supplier will not be entitled to manufacture other products with MEHLER/LINDNERHOF tools and to bring them onto the market or to use or replicate MEHLER/LINDNERHOF tools for orders from third parties.
- 17.2 The supplier must carry out an incoming inspection of the MEHLER/LINDNERHOF tools. To mention an example, upon receipt of the MEHLER/LINDNERHOF tools, the supplier is obligated to immediately accept and inspect the quantities as well as check if the MEHLER/LINDNERHOF tools are complete and free of defects. The results of the incoming inspections to be carried out by the supplier must be reported to the company MEHLER/LINDNERHOF immediately in a written document (this means in writing or in text form, for example by email). In addition, upon request photos must be provided to the company MEHLER/LINDNERHOF.
- 17.3 The supplier undertakes to store MEHLER/LINDNERHOF tools properly and separately from tools of third parties. MEHLER/LINDNERHOF tools must be marked by the supplier as the property of the company

MEHLER/LINDNERHOF. In addition, the supplier commits itself to protect MEHLER/LINDNERHOF tools from access by third parties. If a third party gets to have access, the supplier must inform the company MEHLER/LINDNERHOF immediately in writing. The supplier will support the company MEHLER/LINDNERHOF in its legal defence against such third-party claims without any delay and without appealing the right to refusal performance.

- 17.4 Upon the receipt of the company MEHLER/LINDNERHOF tools by the supplier, the latter will undertake to handle and store the received MEHLER/LINDNERHOF tools with care and commercial diligence. The costs of safekeeping are included in the remuneration for the goods. The supplier is obligated to carry out any necessary maintenance and inspection work as well as all any required servicing and repairing work on MEHLER/LINDNERHOF tools in its custody on time and at its own expense. Any damage to or loss of MEHLER/LINDNERHOF tools must be reported to us immediately; if the customer culpably does not succeed to do so, claims for damages remain unaffected.
- 17.5 During the period of safekeeping, the supplier will be obligated to adequately insure MEHLER/LINDNERHOF tools at reinstatement value, in particular against the risks of mains water, storm, hail, fire and consequential fire damage, burglary, explosions and vandalism. The supplier bears the corresponding insurance costs. At the request of the company MEHLER/LINDNERHOF, the supplier must provide evidence of insurance coverage by means of an insurance certificate. The company MEHLER/LINDNERHOF must be notified immediately of any interruption of insurance cover. The company MEHLER/LINDNERHOF shall be included in the insurance cover as a co-insured person. At the same time, the supplier hereby assigns to the company MEHLER/LINDNERHOF all claims for compensation arising from this insurance, and MEHLER/LINDNERHOF hereby accepts the assignment.
- 17.6 The company MEHLER/LINDNERHOF can at any time and without any notice demand the immediate return of the MEHLER/LINDNERHOF tools from the supplier if the MEHLER/LINDNERHOF tools are no longer required by the supplier to fulfil the contract concluded with the company MEHLER/LINDNERHOF. In such a case, the supplier is obligated to return the MEHLER/LINDNERHOF tools to the company MEHLER/LINDNERHOF immediately and to deliver the MEHLER/LINDNERHOF tools to the named place destination according to the DDP Incoterms® 2020. A right of retention on the part of the supplier to the MEHLER/LINDNERHOF tools will be excluded unless the supplier's counterclaim is an undisputed or legally established claim against our company.

§ 18 Confidentiality

- 18.1 The supplier has the obligation to keep confidential MEHLER/LINDNERHOF's documents, samples, sketches, cutting patterns, illustrations, drawings, calculations and information stored on the data carrier, tools, business intentions, personal data, problem definitions, problem solutions and/or data and other know-how, regardless of their content, as well as any information obtained visually by inspecting plants/equipment, as well as the content and conclusion of the present agreement itself (in particular for what concerns the terms and conditions of the order), as well as all information and other documents made available for this purpose (hereinafter collectively referred to as "**MEHLER/LINDNERHOF confidential information**"), which have been provided to it or have become known to it during the cooperation, the term of the contract and after its conclusion, and to use them only for the contractual performance, not to disclose them to any third parties or to make them accessible to third parties in any other manner, and not to put them at disposal of any third parties in any other manner, disclose them, reproduce them or use them without the previous authorisation for its own business purposes. The supplier will also impose this obligation on its employees, to the extent that they require confidential information in order to carry out their tasks.

- 18.2 The supplier must likewise use technical information, intentions, experience, knowledge, or designs which become accessible or disclosed to it in a confidential manner within the framework of the contractual cooperation only in the context of the framework for the cooperation for the contractual purposes and shall deal with them confidentially during the term of the contract and after its termination and shall not make them accessible to any third party.
- 18.3 The supplier is obligated to implement appropriate confidentiality measures. This means that it must especially comply with the measures specified by the company MEHLER/LINDNERHOF for the protection of MEHLER/LINDNERHOF's confidential information and to take suitable precautions in order to prevent any unauthorised persons from the access to the confidential information belonging to the company MEHLER/LINDNERHOF.
- 18.4 The said obligation does not include confidential information of MEHLER/LINDNERHOF that can be proven to
- have been in the public domain;
 - be already known to the supplier outside of the contractual relationship;
 - have been legitimately made known by third parties; or
 - be released by the company MEHLER/LINDNERHOF.
- 18.5 The supplier will return MEHLER/LINDNERHOF's confidential information to us without being requested to do so in the event that the contract is not concluded or after the fulfilment of the contract.
- 18.6 The confidentiality obligation for Confidential Information expires five (5) years after the non-conclusion or fulfilment of the present agreement.
- 18.7 Without our prior written consent, the supplier will not be entitled to use the name, trademark, logo, or corporate design of the company MEHLER/LINDNERHOF for advertising purposes, to refer to the business relationship with MEHLER/LINDNERHOF in advertising material, brochures, etc., or to exhibit goods manufactured for our company.
- 18.8 In this respect, the supplier is aware that the intentional infringement of the above confidentiality obligation will not only result in civil law consequences but also criminal law consequences. In the event of an intentional infringement of the above confidentiality obligation, the company MEHLER/LINDNERHOF therefore expressly reserves the right to take legal action.
- 18.9 The supplier must obligate his subcontractors according to the present article 18.
- 18.10 The culpable infringement of the above confidentiality obligation by the supplier represents a violation of an essential contractual obligation and entitles the company MEHLER/LINDNERHOF to demand a contractual penalty appropriate to the culpable breach of duty from the supplier at the discretion of the company MEHLER/LINDNERHOF. The minimum amount of the contractual penalty is amounting to 10,000.00 EUR. In this context, the supplier is entitled to have the amount of the contractual penalty reviewed by the court having jurisdiction under the present agreement. If the competent court concludes that the contractual penalty is unreasonable, the latter will be entitled to reduce or also increase the penalty. The defence of continuation of the infringement will be excluded for infringements committed intentionally. The assertion of further claims for damages as well as the omission of future illegal behaviour remains unaffected. Any contractual penalty paid is to be offset against any claims for damages. The contractual penalty represents the minimum damage.

§ 19 Hazardous materials

- 19.1 The supplier commits itself to, particularly in the event of delivering substances, mixtures, products or similar products that are hazardous materials, or if he delivers goods whose use the release of such substances cannot be ruled out, the applicable national, European and international law on chemicals and hazardous materials, in particular according to the (EC) REACH Regulation under the number 1272/2008 (hereinafter referred to as "CLP") and Hazardous Substances Ordinance (hereinafter referred to as "GefStoffV"), including any obligations for exporting and placing the goods on the market (for example the compliance with the requirements when it comes to classification, labelling and packaging of hazardous materials). The supplier is prohibited from using carcinogenic substances.
- 19.2 Additionally, the supplier undertakes to comply fully and on time with the information obligations in the supply chain in accordance with national, European, and international legislation on chemicals and hazardous materials (in particular transmission of the safety data sheet, and SVHC communication). For this purpose, the supplier will send us an up-to-date and dated material safety data sheet in both the German and English language, including information on the place of use and intended use, in particular for what concerns the initial sampling and for the first delivery series. Safety data sheets must be resent without request whenever there is a change in the substance/preparation and whenever the supplier revises the material safety data sheet, but no later than every three (3) years. If special handling regulations exist, we have to be informed of this separately in writing and advised on the use of the substance/preparation, taking into consideration the local conditions. The national, European, and international regulations of the law on chemicals and hazardous materials, in particular the obligations of the supplier according to the German regulation GefStoffV in its version valid at the time of delivery, will remain unaffected by it.
- 19.3 Insofar as the supplier must fulfil registration obligations under national, European, and international law on chemicals and hazardous materials, the supplier guarantees for all goods delivered by him that substances, mixtures, products or the like that are subject to registration obligations have been subject to registration.
- 19.4 Furthermore, the supplier guarantees that goods only contain substances, mixtures, products or the like that are not prohibited, restricted or subject to authorization in accordance with applicable legal or other regulations or that have been used in accordance with the relevant specifications.

§ 20 Assignment of claims

The supplier may only transfer or assign the rights and/or obligations from the contract to a third party with the prior written consent given by the company MEHLER/LINDNERHOF.

§ 21 Data Protection

The company MEHLER/LINDNERHOF is entitled to process all data about the supplier that is required for the purpose of executing the contract, taking into consideration the applicable data protection regulations.

§ 22 Code of Conduct for Suppliers

- 22.1 The supplier has the obligation to comply with the laws of the respective applicable jurisdictions. Particularly, it will not participate actively or passively, directly or indirectly, in any form of bribery, violation of the fundamental rights of the supplier's employees or child labour. Furthermore, the supplier will assume responsibility for the health and safety of its employees in the workplace, observe environmental protection laws and promote and demand compliance with this Code of Conduct from its suppliers and subcontractors to the best of its ability.

22.2 In the event the supplier culpably violates these obligations, we are entitled to withdraw from the contract or to terminate the contract without prejudice to further claims. If the elimination of the breach of duty is feasible, this right may only be exercised after the fruitless expiry of a reasonable period for the elimination of the said breach of duty.

§ 23 Place of jurisdiction, place of performance, and applicable law

23.1 If the supplier is a merchant, a legal entity under public law or a special fund under public law, the court at our place of business is responsible for all disputes arising directly or indirectly from the contractual relationship between the supplier and us. The same applies if the supplier is an entrepreneur under the article 14 of the German Civil Code (BGB, Bürgerliches Gesetzbuch). However, in all cases we are also entitled to bring an action at the place of performance as defined herein or in a prior individual agreement, or at the supplier's general place of jurisdiction. Statutory provisions which have precedence, in particular for what concerns exclusive jurisdictions, will remain unaffected.

23.2 At the option of the claimant party, all disputes between the parties arising directly or indirectly from the contractual relationship may alternatively be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC) by one or more arbitrators appointed in accordance with such Rules. In this case the place of arbitration is Frankfurt am Main, Germany. The language of the arbitration will be English. The law applicable to the arbitration agreement and the arbitration proceedings will be the German law.

23.3 Unless otherwise agreed, the place of performance for all obligations arising from the contractual relationship shall be our registered office.

23.4 The General Terms and Conditions and the contractual relationships between us and the supplier will be subject to the law of the Federal Republic of Germany. The applicability of international uniform law, particularly the UN Convention on Contracts for the International Sale of Goods (CISG), is excluded.

§ 24 Severability clause

Should single provisions of the General Terms and Conditions and the further agreements made be or become invalid or unenforceable in whole or in part, this will not affect the validity of the remainder of the contract. The parties have the obligation, if a dispositive law is not available, to replace the invalid and/or unenforceable provision with a valid and/or enforceable provision that comes as close as possible to the invalid and/or unenforceable provision in terms of economic success.