

General Terms of Purchase of the Mehler Group

The General Terms of Purchase are valid for:

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

MEHLER ENGINEERED DEFENCE GMBH, KUPFERMÜHLENBERG 2, 38154 KÖNIGSLUTTER, GERMANY

LINDNERHOF-TAKTIK GMBH, ISARRING 3, 83661 LENGGRIES; GERMANY

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

(hereinafter "MEHLER/LINDNERHOF", "we", "us")

§ 1 General and scope of application

- 1.1 These General Terms shall apply to all business relations between MEHLER/LINDNERHOF and our suppliers. Our offers are always made on the basis of these General Terms.
- 1.2 The General Terms apply in particular to contracts concerning the sale and/or delivery of movable items ("**Goods**"), irrespective of whether the Supplier manufactures the goods itself or purchases them from its own suppliers (sections 433, 650 of the BGB German Civil Code). Unless otherwise agreed, the version of the General Terms valid at the time of MEHLER/LINDNERHOF placing the order and notified to the Supplier in writing shall also apply as a framework agreement for similar future contracts without MEHLER/LINDNERHOF having to refer to them again in each individual case.
- 1.3 The legal relationship between us and the Supplier shall be governed by these General terms and any other written agreements. Contracts, orders, agreements as well as amendments and supplements to the contract must be set out in writing in order to be of binding effect. In addition, modifications to agreements made and to our orders shall only be effective with our prior written consent.
- 1.4 These General Terms are the only terms that shall apply. Deviating, conflicting or supplementary general terms of business of our suppliers or third parties shall not apply, even if we do not otherwise object to their validity in individual cases. General terms and conditions of the Supplier or third parties shall only become part of the contract if and to the extent that MEHLER/LINDNERHOF has expressly consented to their validity. This requirement for consent shall also apply in particular if MEHLER/LINDNERHOF accepts deliveries without reservation in the knowledge of 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 general terms and conditions of the Supplier or a third party. Acceptance of the Supplier's deliveries and/or payment for such deliveries do not imply consent to the Supplier's general terms and conditions.
- 1.5 By confirming the order or purchase order and at the latest upon execution of the order the Supplier acknowledges the sole validity of our General Terms for the duration of the entire business relationship, even if it refers to its own general terms and conditions.
- 1.6 The General Terms shall only apply if the Supplier is an entrepreneur in the sense of section 14 BGB, a legal entity under public law or a special fund under public law.

§ 2 Conclusion of contract

- 2.1 Orders placed by MEHLER/LINDNERHOF shall be deemed binding at the earliest upon written submission or confirmation and their respective receipt by the Supplier. Before accepting the order, the Supplier shall inform MEHLER/LINDNERHOF of any obvious errors (e.g. typographic or calculation errors) and/or missing elements of the order including order documentation so that we may correct or complete the order documentation.
- 2.2 Unless otherwise stipulated in our order, the Supplier shall be entitled to accept the order within a period of three (3) working days after receipt thereof by written confirmation (e.g. order confirmation). Order confirmation submitted by fax or email shall also be accepted as written confirmation.
- 2.3 Any delayed order acceptance shall be considered a new offer and requires acceptance by MEHLER/LINDNERHOF.

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

- 3.1 All order confirmations, quality inspection certificates ("**Factory test certificates**"), delivery documents and invoices from the Supplier must state our order number as well as the item number, delivery volume and delivery address.
- 3.2 As long as the Supplier has not yet fulfilled its obligations, MEHLER/LINDNERHOF shall be entitled, within the bounds of reasonableness, to demand changes to the order with regard to design, execution, quantity and delivery time. The impacts (e.g. additional or reduced costs, delivery dates, etc.) are to be settled by mutual agreement between the parties. MEHLER/LINDNERHOF may demand changes to the goods even after conclusion of the contract, insofar as this is objectively reasonable for the Supplier. In the case of such change to the contract, the impacts on both sides, in particular with regard to additional or reduced costs and delivery dates, are to be settled by mutual agreement between the parties.
- 3.3 Supplier visits or inspections as part of the offer preparation as well as the elaboration of offers, projects, etc. shall not be remunerated by us unless remuneration has been expressly agreed between the parties.

§ 4 Documents, 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 associated documents, as well as other company or corporate standards, are to be understood as an agreement on quality.
- 4.2 Illustrations, drawings, data, photos, calculations, models, samples and other documents which MEHLER/LINDNERHOF has provided to the Supplier ("**Documents of MEHLER/LINDNERHOF**") shall remain the property of MEHLER/LINDNERHOF. MEHLER/LINDNERHOF reserves the right of ownership and copyright over MEHLER/LINDNERHOF's documents. The Supplier undertakes to use MEHLER/LINDNERHOF's documents exclusively for the performance of its contractually agreed services. The foregoing shall also apply to MEHLER/LINDNERHOF documents marked as "confidential".
- 4.3 MEHLER/LINDNERHOF documents and MEHLER/LINDNERHOF documents marked as "confidential" (together "**MEHLER/LINDNERHOF confidential documents**") shall be kept secret from third parties as well as from customers and competitors of MEHLER/LINDNERHOF (together "**Third parties**") during the term of the contract and after termination of the contract. The Supplier may not pass on to third parties MEHLER/LINDNERHOF's confidential documents as such nor their contents, nor make them accessible to third parties in any other way, nor disclose them, use them itself or through third parties, exploit them for its

own business purposes or reproduce them without MEHLER/LINDNERHOF's express prior written consent. The Supplier shall also impose this obligation on its employees insofar as they require confidential documents from MEHLER/LINDNERHOF for the performance of its duties.

- 4.4 At MEHLER/LINDNERHOF's request, the Supplier shall immediately return MEHLER/LINDNERHOF's confidential documents in their entirety, including any copies made thereof and any records prepared therefrom, to MEHLER/LINDNERHOF, destroy them and/or delete them from 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 MEHLER/LINDNERHOF requests the destruction of MEHLER/LINDNERHOF's confidential documents, the Supplier shall provide MEHLER/LINDNERHOF with written proof thereof.
- 4.5 In the event that the parties conclude a framework agreement or other continuing obligation ("**Framework Agreement**"), the following shall apply: After termination of the framework agreement, the Supplier shall immediately release all confidential documents of MEHLER/LINDNERHOF made accessible to it, in particular documents, written materials, copies, models and samples, etc., without being requested to do so by MEHLER/LINDNERHOF, and shall delete them from its own (mobile) devices or storage media. A right of retention cannot be asserted by the Supplier in this respect. At the request of MEHLER/LINDNERHOF, the Supplier shall make certain that it no longer has any documents, including copies or other reproductions thereof, including in electronic form, in its possession nor the possibility of gaining access thereto. The obligation to delete or destroy shall not apply to reproductions which are required for compliance with the Supplier's statutory retention obligations.

§ 5 Quality, modification of product components and production processes

- 5.1 The following regulations apply to the delivery of goods:
- a) The basis of all contracts is the quality agreement agreed with the Supplier in accordance with section 4.1 of the General Terms as well as, if applicable, further product specifications, agreed product qualities, technical drawings and other product-specific documents. The production samples approved between the Supplier and MEHLER/LINDNERHOF shall also form part of the contract.
 - b) With each delivery, the Supplier undertakes to issue a factory test certificate in accordance with standard DIN 55350-18-4.1.2. The Supplier undertakes to note our order, item and delivery note numbers on the factory test certificate.
 - c) The Supplier undertakes to notify MEHLER/LINDNERHOF in writing without delay of any deviations or changes in the product specifications and/or product composition compared with the agreed product specifications and/or product composition. Deviations or changes to the product specifications and/or product composition as well as any resulting effects on and risks to the agreed quality of the goods shall be expressly stated in the notification. In addition, the deviating or modified product specifications and/or product composition must be approved by MEHLER/LINDNERHOF with the aid of renewed quality and safety tests, adaptation of the specifications, product release samples and certificates.
 - d) The Supplier must notify MEHLER/LINDNERHOF immediately in writing of any change in the Supplier's production location or the production process or the specific settings in the production process by the Supplier after approval of the production location and/or the production samples on which the contract is based. Changes to the process as well as any resulting effects on or risks to the agreed quality of the goods shall be expressly stated in the notification. Any additional costs incurred by MEHLER/LINDNERHOF due to changes initiated by the Supplier shall be borne by the Supplier.

- e) Irrespective of successful initial sampling, the Supplier shall constantly check the quality of the goods and regularly carry out requalification tests, informing MEHLER/LINDNERHOF in writing of the results of these tests at regular intervals (at least once a month). In addition, the parties shall inform each other of any measures taken to improve quality.
 - f) The Supplier undertakes to comply with the applicable environmental protection laws, to continuously improve its operational environmental protection measures and to avoid environmental pollution. During production of the goods, the Supplier shall ensure that the production materials provided by MEHLER/LINDNERHOF and the energy sources required are used in an efficient manner. In addition, the Supplier shall sort the waste products resulting from production in accordance with the Supplier's customary national regulations and feed them into a recycling circuit.
 - g) The Supplier is obliged to comply with the requirements of Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals ("**REACH**"). Products that do not fully comply with the requirements of REACH must not be delivered to us.
 - h) The Supplier guarantees that the goods comply with the latest industry standard as well as the relevant statutory provisions. For this purpose, prior to delivery of the goods the Supplier shall carry out suitable inspection measures by performing quality assurance appropriate to the type and scope of the delivery and in accordance with the latest industry standard. Upon request, the Supplier shall provide MEHLER/LINDNERHOF with written evidence of the implementation of these measures.
- 5.2 Changes to the conditions under section 5.1 must be made in writing.

§ 6 Items provided

- 6.1 Items provided by MEHLER/LINDNERHOF to the Supplier (e.g. documents, materials, software, finished and semi-finished products, tools, samples, models, templates, drawings and other manufacturing resources) as well as for moulds, devices, test assemblies, machines, equipment, templates and other items (together "**items provided**") shall remain the property of MEHLER/LINDNERHOF.
- 6.2 The items provided as well as goods manufactured therefrom and not yet delivered shall at the Supplier's expense be marked by the Supplier as the property of MEHLER/LINDNERHOF and shall be stored separately from third-party property.
- 6.3 The items and goods provided are intended for the exclusive use of MEHLER/LINDNERHOF. Any processing or transformation of the provided items by which a new item is produced shall always be carried out by the Supplier for MEHLER/LINDNERHOF. In these cases, the Supplier does not acquire ownership of the items provided. It is agreed that MEHLER/LINDNERHOF is the manufacturer within the meaning of section 950 of the BGB and accordingly acquires the ownership rights to the newly manufactured item. For all cases of processing in accordance with section 950 BGB (in particular if provided items are processed with other items that do not belong to MEHLER/LINDNERHOF) as well as combination and intermixture in accordance with sections 947, 948 BGB, the Supplier and MEHLER/LINDNERHOF hereby agree that all ownership rights to the new, uniform item shall automatically pass to MEHLER/LINDNERHOF. The handover shall be replaced by the agreement that the Supplier shall keep the new item for MEHLER/LINDNERHOF. If the Supplier's cooperation is required for the transfer of ownership rights to the newly manufactured or new, uniform thing, the Supplier undertakes to carry out all necessary actions required for the transfer of ownership (i.e. in particular to cooperate in actions required, to provide documents and records in a suitable form). In the event that the order is passed on to subcontractors, the Supplier shall also be obliged to conclude an identical agreement with these subcontractors in favour of MEHLER/LINDNERHOF as well as an agreement

obliging the subcontractor to unconditionally surrender the new, uniform item to MEHLER/LINDNERHOF at any time.

- 6.4 The items provided as well as goods manufactured therefrom shall be treated with care by the Supplier until such time as they are handed over in full by the Supplier to MEHLER/LINDNERHOF. The Supplier must at its own expense insure the provided objects and goods in full and at replacement value against the usual risks, in particular against fire, water and theft. If maintenance and inspection work becomes necessary, the Supplier must carry it out in good time at their own expense.
- 6.5 The Supplier must notify MEHLER/LINDNERHOF in writing without delay if MEHLER/LINDNERHOF's rights to the items provided or to goods manufactured therefrom but not yet delivered are impaired by attachment or other measures taken by third parties. The Supplier shall enclose with its notification all documents required for intervention (e.g. in the case of attachment including a copy of the attachment order and an affidavit that and to what extent the attached items are identical with the items transferred under this contract). The Supplier shall immediately notify attaching creditors and other third parties in writing of MEHLER/LINDNERHOF's rights over the provided items and/or goods.

§ 7 Prices, terms of payment and invoices

- 7.1 The prices stated in the order from MEHLER/LINDNERHOF are binding. Unless otherwise specified by MEHLER/LINDNERHOF (in particular in the order), all prices quoted by MEHLER/LINDNERHOF are DDP Incoterms® 2020.
- 7.2 All prices are in euros and include the statutory value added tax, if this is not shown separately.
- 7.3 Unless otherwise agreed in individual cases, the prices agreed with the Supplier are fixed prices and exclude subsequent claims of the Supplier of any kind.
- 7.4 The prices include all services and ancillary services of the Supplier (e.g. customs, assembly, installation) as well as all ancillary costs (e.g. costs for customs formalities, costs of transport including proper packaging and transport packaging as well as any transport and liability insurance). Insofar as, according to the agreement made, the price does not include packaging and the payment for any packaging not provided solely on loan is not expressly defined, such payment is to be charged at the verifiable cost price.
- 7.5 Invoices shall be issued stating our complete order information (in particular order number, date, delivery note number). If the Supplier fails to meet this condition, we shall not be responsible for any resulting delays in invoice processing and payment settlement. If individual order information is missing and payment is delayed as a result, the agreed payment periods (cf. section 7.6) shall be extended by the period of the delay.
- 7.6 The agreed prices become 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. In the case of acceptance of early deliveries, the due date shall not be determined by the time of the early delivery or service, but by the agreed delivery date. If MEHLER/LINDNERHOF makes payment within ten (10) calendar days, the Supplier shall grant us a 2% discount on the net amount of the invoice. In the case of bank transfers, payment shall be deemed to have been made in good time if MEHLER/LINDNERHOF's bank receives the transfer order before expiry of the payment deadline; MEHLER/LINDNERHOF shall not be responsible for any delays caused by the banks involved in the payment process.
- 7.7 MEHLER/LINDNERHOF shall be entitled to rights of set-off and retention as well as the defence of non-performance of the contract to the extent provided by law. In particular, MEHLER/LINDNERHOF shall be

entitled to withhold payments due as long as MEHLER/LINDNERHOF is still entitled to claims against the Supplier arising from incomplete or defective performance.

- 7.8 The Supplier shall have a right of set-off or retention only in respect of counterclaims which have been established by declaratory judgment or which are undisputed.
- 7.9 MEHLER/LINDNERHOF shall not be liable for any late payment interest. The statutory provisions shall apply to default in payment.

§ 8 Terms of delivery and transfer of risk

- 8.1 Unless otherwise agreed, the Supplier's deliveries - including packaging material - shall be made according to DDP Incoterms® 2020 at the place specified in the purchase order ("**Destination**"). If the destination is not specified and nothing else has been agreed, delivery shall be made to MEHLER/LINDNERHOF's place of business. The respective destination is also the place of performance for the delivery and any subsequent performance (obligation to deliver).
- 8.2 Each delivery must be accompanied by a delivery note containing full details of the order (including date (issue and dispatch)), contents of the delivery (item number and quantity) and the MEHLER/LINDNERHOF order ID (date and number). If the delivery note is missing or incomplete, MEHLER/LINDNERHOF shall not be responsible for any delays in processing and payment resulting therefrom. On the day of dispatch and separately from the delivery note, MEHLER/LINDNERHOF shall be sent a corresponding dispatch note with delivery note and factory test certificate.
- 8.3 Partial deliveries are only permissible if agreed in writing between the parties.
- 8.4 The risk of accidental loss and accidental deterioration of the item shall pass to MEHLER/LINDNERHOF upon handover at the place of performance. Transfer of risk takes place upon agreement of acceptance. In all other respects, the statutory provisions of the law on contracts for work and services shall also apply accordingly in the event of acceptance. Transfer of risk and contractual acceptance of the delivery is still the timepoint of handover, even if the delivery is delayed.
- 8.5 If MEHLER/LINDNERHOF is in default of acceptance, the statutory provisions shall apply. The Supplier must expressly offer MEHLER/LINDNERHOF its services even if a defined or definable calendar time has been agreed for an action or cooperation by MEHLER/LINDNERHOF (e.g. provision of tools). If MEHLER/LINDNERHOF is in default of acceptance, the Supplier may demand compensation for its additional expenses in accordance with the statutory provisions (section 304 BGB). If the contract concerns a fungible item to be manufactured by the Supplier (one-off production), the Supplier shall only be entitled to further rights if MEHLER/LINDNERHOF undertakes to cooperate and is responsible for a failure to cooperate.
- 8.6 Proofs of origin requested by us (e.g. supplier's declarations, movement certificates) shall be provided to us by the Supplier without delay and at its own expense, complete with all necessary information and signed.

§ 9 Delivery time, delivery date and delay in delivery

- 9.1 The delivery dates and delivery times stated in the order are binding. If no delivery date and/or delivery time is specified in the order and it has not been agreed otherwise, the delivery time shall be two (2) calendar weeks from the conclusion of the contract for standardised goods and eight (8) calendar weeks from the conclusion of the contract for goods manufactured according to individual specifications. Compliance with the delivery date or delivery time shall be determined by receipt of the goods at the place of destination

specified in our order and, if no such place of destination was specified, at the place of destination specified in section 8.1.

- 9.2 The Supplier is obliged to inform us immediately in writing if circumstances occur or become apparent to it which indicate that it will probably not be able to meet the agreed delivery date and/or the agreed delivery time.
- 9.3 If agreed delivery dates and delivery times are exceeded, the Supplier shall be in default with no reminder required, insofar as the agreed delivery dates and delivery times directly or indirectly specify a certain date.
- 9.4 In the event of default on the part of the Supplier, we shall be entitled to claims and rights in accordance with the statutory provisions, including the right to withdraw from the contract and the right to claim damages. The provision of section 9.5 remains unaffected.
- 9.5 In the event of a culpable delay in delivery on the part of the Supplier, we shall be entitled - in addition to further statutory claims - to demand a contractual penalty from the Supplier in the amount of 0.5% of the respective net order value of the goods delivered late per calendar week or part thereof, but in total not more than 5% of the net order value of the goods delivered late. Any further claims for damages shall remain unaffected. The contractual penalty paid by the Supplier shall be credited against the damage caused by the delay for which the Supplier must provide compensation.

§ 10 Packaging

- 10.1 The Supplier's obligation to take back packaging shall be governed by the statutory provisions. If there is a statutory requirement to take back the packaging, the Supplier must at our request take it back at their own expense.
- 10.2 The Supplier shall pack goods in a manner appropriate for their preservation and protection. In particular, goods shall be packed in such a way that transport damage is avoided. Packaging materials shall only be used to the extent necessary to achieve this purpose. Only environmentally friendly packaging materials may be used.
- 10.3 If, according to the agreement reached, the price does not include packaging and packaging materials not provided to us on a loan basis are invoiced separately, we shall be entitled to return these packaging materials to the Supplier carriage paid following receipt of the corresponding goods, insofar 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 shall not be entitled, without the prior written consent of MEHLER/LINDNERHOF, to have the service owed by it rendered by third parties ("**subcontractors**"). If MEHLER/LINDNERHOF has given its prior written consent and if the Supplier places an order with a subcontractor, the Supplier shall be obliged to apply the contractual conditions of these General Terms, the order and the contract in towards its subcontractor.
- 11.2 MEHLER/LINDNERHOF may demand that the Supplier make available to MEHLER/LINDNERHOF the agreements to be concluded between the Supplier and its subcontractor in German or English and agree on a corresponding exception to any existing obligation of confidentiality.

§ 12 Inspection of and liability for defects

- 12.1 The statutory provisions shall apply to the rights of MEHLER/LINDNERHOF in the event of defects of material or title of the goods as well as in the event of other breaches of duty by the Supplier, unless otherwise stipulated below.
- 12.2 In accordance with the statutory provisions, the Supplier shall be liable in particular for ensuring that the goods have the agreed quality at the time of transfer of risk to MEHLER/LINDNERHOF. In any case, those product descriptions which - in particular by designation or reference in MEHLER/LINDNERHOF's order - are the subject matter of the respective contract or which have been incorporated into the contract in the same way as these General Terms shall be deemed to be an agreement on quality. It makes no difference whether the product description comes from MEHLER/LINDNERHOF, the Supplier or the manufacturer. Product properties based on the agreed product specifications and technical drawings can be verified by the factory test certificate.
- 12.3 The statutory provisions (Sections 377, 381 of the German Commercial Code) shall apply to the duty to inspect and give notice of defects, subject to the following proviso: MEHLER/LINDNERHOF's duty to inspect shall be limited to defects which become apparent during MEHLER/LINDNERHOF's incoming goods inspection under external examination including the delivery documents (e.g. transport damage, incorrect delivery and incomplete delivery) or which are identifiable during MEHLER/LINDNERHOF's quality control process in the random sampling procedure. Insofar as acceptance has been agreed, there shall be no obligation to inspect. Further, it depends to what extent an inspection is feasible, taking into account the circumstances of each individual case in the normal course of business. MEHLER/LINDNERHOF's obligation to give notice of defects discovered later shall remain unaffected. Notwithstanding MEHLER/LINDNERHOF's duty to inspect, MEHLER/LINDNERHOF's complaint (notice of defect) shall be deemed to have been made without delay and in good time if it is sent within five (5) working days of discovery or, in the case of obvious defects, of delivery. Business day means any day which is not a Saturday, Sunday or public holiday in Germany and on which bank branches in Germany are open for business. Upon receipt of our written notice of defects by the Supplier, the limitation period for warranty claims shall be suspended.
- 12.4 Cure shall also include removal of the defective goods and re-installation, provided that the goods have been installed in another item or attached to another item in accordance with their type and intended use; MEHLER/LINDNERHOF's statutory claim for reimbursement of respective expenses shall remain unaffected. The expenses necessary for the purpose of inspection and cure shall be borne by the Supplier even if it turns out that there was actually no defect. MEHLER/LINDNERHOF's liability for damages in the event of an unfounded demand for rectification of defects shall remain unaffected; in this respect, however, MEHLER/LINDNERHOF shall only be liable if MEHLER/LINDNERHOF recognised or was grossly negligent in failing to recognise that there was no defect.
- 12.5 Without prejudice to MEHLER/LINDNERHOF's statutory rights and the provisions of section 12.4, the following shall apply: in any case, MEHLER/LINDNERHOF shall be entitled to demand from the Supplier, at its discretion, rectification of the defect ("**repair**") or delivery of a defect-free item ("**replacement**"). If the Supplier fails to meet its obligation to remedy the defect within a reasonable period of time set by MEHLER/LINDNERHOF, MEHLER/LINDNERHOF shall be entitled to remedy the defect itself and to demand reimbursement of the necessary expenses or a corresponding advance payment from the Supplier. If the cure provided by the Supplier fails or is considered unreasonable by MEHLER/LINDNERHOF (e.g. due to particular urgency, risk to operational safety or imminent occurrence of disproportionate damage), no deadline need be set; MEHLER/LINDNERHOF shall inform the Supplier of such circumstances without delay, if possible in advance.

- 12.6 Moreover, MEHLER/LINDNERHOF shall be entitled to reduce the purchase price or to withdraw from the contract in the event of a material defect or defect of title in accordance with statutory provisions. Furthermore, MEHLER/LINDNERHOF shall be entitled to claim damages and reimbursement of expenses in accordance with the statutory provisions.
- 12.7 In the case of replacement or repair, the warranty period for replaced or repaired parts shall begin again from zero, unless we assume from the Supplier's conduct that the Supplier did not consider itself obliged to take the measure, but only carried out the replacement or repair as a gesture of goodwill or for similar reasons.

§ 13 Product liability, indemnification, insurance

- 13.1 Insofar as claims are asserted against MEHLER/LINDNERHOF by third parties on the basis of product liability law due to defects in the goods supplied by the Supplier or other causes within the Supplier's sphere of responsibility, the Supplier shall indemnify MEHLER/LINDNERHOF against such claims to the extent that the Supplier itself would be liable in the external relationship. This shall also include indemnification against the reasonable and necessary costs of legal defence. The Supplier shall support MEHLER/LINDNERHOF in its legal defence against such third-party claims without delay and without invoking any rights to refuse performance.
- 13.2 Within the scope of its indemnity obligation, the Supplier shall reimburse expenses pursuant to sections 683, 670 of the BGB arising from or in connection with a claim by third parties including recall actions carried out by MEHLER/LINDNERHOF. We will - as far as possible and reasonable - inform the Supplier of the content and scope of recall measures to be carried out and give it the opportunity to comment. Other legal claims remain unaffected.
- 13.3 Insofar as findings from the Supplier's own product monitoring, statements by third parties or measures taken by authorities indicate that products covered by the contract could have defects relevant safety, the Supplier shall inform MEHLER/LINDNERHOF immediately in writing and shall keep MEHLER/LINDNERHOF 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 coverage of at least EUR 10 million per incident of personal injury/property damage and, at the request of MEHLER/LINDNERHOF, provide evidence of this by submitting the relevant insurance policy and proof of payment of the insurance premium. If we are entitled to further claims for damages, these shall remain unaffected.
- 13.5 In addition, the Supplier must provide us with evidence of the existence of a business liability insurance policy upon request by submitting the relevant insurance policy and proof of payment of the insurance premium.

§ 14 Limitation

- 14.1 The mutual claims of the parties lapse in accordance with statutory provisions, unless otherwise stipulated below.
- 14.2 In deviation from section 438 para. 1 no. 3 of the BGB, the general limitation period for claims for defects shall be three (3) years from the transfer of risk. Where acceptance has been agreed, the period of limitation begins with acceptance of the goods. The three-year period of limitation also applies as appropriate for claims arising from defect of title whereby the statutory period of limitation for the real right of a third party to claim the return of a thing (Section 438 Clause 1 Point 1 of the BGB) remains unaffected; furthermore, there

is no period of limitation in any case regarding claims arising from defect of title so long as the third-party – in particular in the absence of a period of limitation - is able to assert the right against us.

- 14.3 The periods of limitation in commercial law, including the aforementioned extension, apply – to the scope of the law – for all contractual claims arising from defect. In so far as claims for compensation for damages outside of the contract are brought against MEHLER/LINDNERHOF due to a defect, the regular statutory period of limitation (Sections 195, 199 BGB) applies here if the use of the periods of limitation in sales law does not lead to a longer period of limitation in the individual case.

§ 15 Property rights

- 15.1 The Supplier warrants that the goods delivered by it are free from property rights, copyright or industrial property rights of third parties (in particular trademark, company, name, patent, utility model or design rights) which impair or exclude the free use of the goods.
- 15.2 In the event that the goods infringe property rights, copyright or industrial property rights of a third party, the Supplier shall
- notify MEHLER/LINDNERHOF in writing immediately after becoming aware of the infringement of such rights,
 - at its own reasonable discretion and at its own expense, modify or replace the goods in such a way that the rights of third parties are no longer infringed but the goods continue to fulfil the contractually agreed functions and quality requirements (in particular 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, MEHLER/LINDNERHOF shall be entitled to withdraw from or terminate the contract - without prejudice to further rights - for good cause, and
 - release MEHLER/LINDNERHOF upon first request from all claims 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 ownership of goods and retention of title

- 16.1 The transfer of ownership of goods to MEHLER/LINDNERHOF shall be unconditional and irrespective of the payment of the price. We do not recognise an extended or prolonged retention of title by the Supplier. The agreement of such a reservation of title requires our separate prior written consent.
- 16.2 However, if MEHLER/LINDNERHOF accepts in an individual case an offer from the Supplier for transfer of ownership conditional on payment of the purchase price, the Supplier's retention of title shall expire at the latest upon payment of the purchase price for the goods delivered. MEHLER/LINDNERHOF shall remain entitled to resell the goods in the ordinary course of business, even before payment of the purchase price, with advance assignment of the claim arising therefrom (alternatively, the simple reservation of title extended to the resale shall apply). This excludes all other forms of retention of title, in particular extended retention of title, transferred retention of title and retention of title extended to cover further processing.

§ 17 Tools from MEHLER/LINDNERHOF

- 17.1 Tools, parts, moulds, devices, test assemblies, machines and equipment provided by MEHLER/LINDNERHOF (together "**MEHLER/LINDNERHOF tools**") shall be used by the Supplier exclusively for the manufacture of the goods ordered by MEHLER/LINDNERHOF from the Supplier. MEHLER/LINDNERHOF tools remain the property of MEHLER/LINDNERHOF. The Supplier is not entitled

to use MEHLER/LINDNERHOF tools to manufacture other products and place them on the market, or to use or reproduce MEHLER/LINDNERHOF tools for orders placed by a third party.

- 17.2 The Supplier must carry out an incoming inspection of the MEHLER/LINDNERHOF tools, i.e. upon receipt of the MEHLER/LINDNERHOF tools, the Supplier is obliged to immediately inspect and accept the quantities as well as check that the MEHLER/LINDNERHOF tools are complete and free from defects. The results of the incoming inspections to be carried out by the Supplier shall be reported to MEHLER/LINDNERHOF in writing without delay (i.e. in writing or in text form, e.g. by e-mail) and photos shall be provided to MEHLER/LINDNERHOF upon request.
- 17.3 The Supplier undertakes to store MEHLER/LINDNERHOF tools properly and separately from tools of third parties. MEHLER/LINDNERHOF tools shall be marked by the Supplier as the property of MEHLER/LINDNERHOF. In addition, the Supplier undertakes to protect MEHLER/LINDNERHOF tools from access by third parties. If third parties gain access, the Supplier must inform MEHLER/LINDNERHOF of this immediately in writing. The Supplier shall support MEHLER/LINDNERHOF in its legal defence against such access without delay and without invoking any rights to refuse performance.
- 17.4 Upon receipt of the MEHLER/LINDNERHOF tools by the Supplier, the Supplier undertakes to handle and store the MEHLER/LINDNERHOF tools received with care and due diligence. The costs of safekeeping are included in the remuneration for the goods. The Supplier shall be obliged to carry out at its own expense and in a timely manner any necessary maintenance and inspection work on MEHLER/LINDNERHOF tools in its custody as well as all maintenance and repair work. Any damage to or loss of MEHLER/LINDNERHOF tools must be reported to us immediately; if the customer culpably fails to do so, claims for damages shall remain unaffected.
- 17.5 Throughout the time that the tools are stored with the Supplier, the Supplier is obliged to adequately insure MEHLER/LINDNERHOF tools at replacement value, in particular against the risks of escape of water, storm, hail, fire and consequential loss, burglary, explosion and vandalism. The corresponding insurance costs shall be borne by the Supplier. At the request of MEHLER/LINDNERHOF, the Supplier shall provide evidence of insurance cover in the form of an insurance certificate. MEHLER/LINDNERHOF must be notified immediately of any interruption in insurance cover. MEHLER/LINDNERHOF is to be included in the insurance cover as a co-insured person. At the same time, the Supplier hereby assigns to MEHLER/LINDNERHOF all claims for compensation arising from this insurance and MEHLER/LINDNERHOF hereby accepts the assignment.
- 17.6 MEHLER/LINDNERHOF may at any time - without observing a period of 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 MEHLER/LINDNERHOF. In such a case, the Supplier is obliged to return the MEHLER/LINDNERHOF tools to MEHLER/LINDNERHOF without delay and to deliver the MEHLER/LINDNERHOF tools to the DDP Incoterms® 2020 named place of destination. A right of retention on the part of the Supplier to the MEHLER/LINDNERHOF tools is excluded unless the Supplier's counterclaim is an undisputed or legally established claim against us.

§ 18 Confidentiality

- 18.1 The Supplier shall be obliged to keep confidential during the term of the contract and after its termination MEHLER/LINDNERHOF's confidential documents, samples, sketches, cutting templates, illustrations, drawings, calculations and information stored on data storage media, tools, business intentions, personal data, problem definitions, problem solutions and/or data and other knowledge and expertise, irrespective of their content, as well as information obtained visually by inspecting plant/equipment, as well as the content and conclusion of this contract itself (in particular the terms and conditions of the order) and all information and other documents made available for this purpose (together "**confidential information of**

MEHLER/LINDNERHOF") provided to it or made known to it by virtue of the cooperation. Such information shall only be used for the performance of the contract, shall not be passed on to third parties or made accessible to third parties in any other way, and the Supplier shall not disclose, reproduce or exploit such information for its own business purposes without authorisation. The Supplier shall also impose this obligation on its employees insofar as they require confidential information for the performance of their duties.

- 18.2 The Supplier shall also use technical information, intentions, experience, knowledge or designs which become accessible or disclosed to it in a confidential manner as part of the contractual cooperation only within the framework of the cooperation for the purposes of the contract and shall treat such information as confidential during the term of the contract and after its termination and shall not make it accessible to any third party.
- 18.3 The Supplier shall be obliged to implement appropriate confidentiality measures, i.e. in particular to comply with the measures laid down by MEHLER/LINDNERHOF for the protection of MEHLER/LINDNERHOF's confidential information and to take appropriate precautions to prevent unauthorised persons from gaining access to MEHLER/LINDNERHOF's confidential information.
- 18.4 This obligation does not include confidential information of MEHLER/LINDNERHOF which demonstrably
- is or becomes publicly available;
 - was already known to the Supplier outside the contractual relationship;
 - has been lawfully disclosed by third parties; or
 - is released by MEHLER/LINDNERHOF.
- 18.5 The Supplier shall immediately 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 contract has been fulfilled.
- 18.6 The duty of confidentiality for confidential information shall expire five (5) years after failure to enter into or performance of this contract.
- 18.7 Without our prior written consent, the Supplier is not entitled to use MEHLER/LINDNERHOF's name, brand, logo or corporate design for advertising purposes, to refer to the business relationship with MEHLER/LINDNERHOF in advertising material, brochures, etc. or to exhibit goods manufactured for us.
- 18.8 The Supplier is aware that the intentional breach of the above duty of confidentiality has consequences under criminal law in addition to consequences under civil law. In the event of a deliberate breach of the above duty of confidentiality, MEHLER/LINDNERHOF therefore expressly reserves the right to take criminal action.
- 18.9 The Supplier shall require its subcontractors to comply with this present section § 18.
- 18.10 The culpable breach of the above duty of confidentiality by the Supplier shall constitute a breach of a material contractual obligation and shall entitle MEHLER/LINDNERHOF to demand from the Supplier a contractual penalty at MEHLER/LINDNERHOF's discretion commensurate with the culpable breach of obligation. The minimum amount of the contractual penalty is EUR 10,000.00. The Supplier is entitled to have the amount of the contractual penalty reviewed by the court having jurisdiction under the contract. If the court comes to the conclusion that the contractual penalty is unreasonable, the competent court is entitled to reduce or even increase the penalty. The plea of continuation of infringement shall be excluded for infringements committed intentionally. The assertion of further claims for damages as well as for omission of future unlawful conduct shall remain unaffected by this. Any contractual penalty paid shall be offset against any claims for damages. The contractual penalty represents the minimum damage.

§ 19 Hazardous substances

- 19.1 The Supplier undertakes, in particular in the event that it supplies substances, mixtures, products or similar which are hazardous substances, or if it supplies goods during the use of which the release of such substances cannot be ruled out, to comply with the applicable provisions of the national, European and international chemicals and hazardous substances legislation, in particular in accordance with REACH, Regulation (EC) No. 1272/2008 ("CLP") and the German Ordinance on Hazardous Substances ("GefStoffV"), including any obligations for the export and placing on the market of the goods (e.g. compliance with requirements for the classification, labelling and packaging of hazardous substances). The Supplier is prohibited from using carcinogenic substances.
- 19.2 In addition, the Supplier undertakes to comply with the duty of information in the supply chain in accordance with the national, European and international chemicals and hazardous substances legislation in full and in a timely manner (in particular transmission of the safety data sheet, SVHC communication). For this purpose, the Supplier shall send us an up-to-date, dated safety data sheet in German and English, including information on the place of use and intended use, in particular for the initial sampling and the first series delivery. Safety data sheets must be sent again without being asked whenever there is a change in the substance/preparation and whenever the Supplier revises the safety data sheet, but at the latest every three (3) years. If special handling regulations exist, we must be informed of this separately in writing and advised on the use of the substance/preparation, taking into account the local conditions at our premises. The national, European and international provisions of the law on chemicals and hazardous substances, in particular the obligations of the Supplier according to the in the version valid at the time of delivery, shall remain unaffected.
- 19.3 Insofar as the Supplier has to fulfil registration obligations according to national, European and international chemicals and hazardous substances law, the Supplier guarantees for all goods delivered by it that substances, mixtures, products or similar which are subject to registration obligations have been registered.
- 19.4 Furthermore, the Supplier warrants that goods contain only substances, mixtures, products or similar which are not prohibited, restricted or subject to approval under applicable statutory or other regulations, or which 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 arising from the contract to a third party with the prior written consent of MEHLER/LINDNERHOF.

§ 21 Privacy policy

MEHLER/LINDNERHOF shall be entitled to process all data relating to the Supplier which are required for the purpose of executing the contract, in compliance with the applicable data protection regulations.

§ 22 Code of Conduct for Suppliers

- 22.1 The Supplier is obliged to comply with the laws of the respective applicable jurisdictions. In particular, it will not participate actively or passively, directly or indirectly, in any form of bribery, violation of the fundamental rights of its employees or child labour. It will also take responsibility for the health and safety of its employees in the workplace, comply with environmental legislation and promote and require compliance with this Code of Conduct from its suppliers and subcontractors to the best of its ability.

22.2 If the Supplier culpably violates these obligations, we shall be entitled to withdraw from the contract or to terminate the contract without prejudice to further claims. If it is possible to remedy the breach of duty, this right may only be exercised after the fruitless expiry of a reasonable period for remedying the breach of duty.

§ 23 Place of jurisdiction, place of performance, 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 with jurisdiction for our registered office shall have jurisdiction for all disputes between the Supplier and us arising directly or indirectly from the contractual relationship. The same shall apply if the Supplier is an entrepreneur within the meaning of section 14 BGB. However, we shall be entitled in all cases to bring an action at the place of performance of the obligations under the contract or a prior individual agreement or at the general place of jurisdiction of the Supplier. Overriding statutory provisions, in particular concerning exclusive competences, shall remain unaffected.

23.2 At the option of the claimant party, all disputes between the parties arising directly or indirectly out of the contractual relationship may alternatively be finally settled in accordance with the arbitration rules 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 shall be Frankfurt am Main, Germany. The language of the arbitration shall be English. The law applicable to the arbitration agreement and the arbitration proceedings shall be 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 These General Terms and the contractual relations between us and the Supplier are subject to the law of the Federal Republic of Germany. The applicability of international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods (CISG), is excluded.

§ 24 Severability clause

Should individual provisions of these General Terms and further agreements made be or become invalid or unenforceable in whole or in part, this shall not affect the validity of the remainder of the contract. The parties are obliged, if 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 commercial success.