

## General Terms and Conditions of Purchase of Paul Leistner GmbH

### 1. Scope of Application

- 1.1. These General Terms and Conditions of Purchase apply between Paul Leistner GmbH, with its registered office in Schwabach (Nürnberg HRB 45281) – hereinafter referred to as the “Purchaser” – and entrepreneurs, legal entities under public law or special funds under public law within the meaning of Section 310 (1) of the German Civil Code (BGB) – hereinafter referred to as the “Supplier”.
- 1.2. Our orders as well as all deliveries, services and offers of our Suppliers shall be made exclusively on the basis of these General Terms and Conditions of Purchase. These General Terms and Conditions of Purchase form an integral part of all contracts concluded between us and our Suppliers regarding the deliveries or services offered by them. They shall also apply to all future deliveries, services or offers to the Purchaser, even if they are not expressly agreed again.
- 1.3. Terms and conditions of business of our Suppliers or third parties shall not apply, even if we do not expressly object to their applicability in individual cases. Even if we refer to a letter that contains or refers to the Supplier's or a third party's terms and conditions, this shall not constitute consent to the applicability of such terms and conditions. The same shall apply to the acceptance or payment of goods or services.

### 2. Orders and Purchase Orders

- 2.1. Unless a different procedure has been agreed with the Supplier, our orders or delivery call-offs shall require written form to be valid. Written form shall also be deemed complied with if the order or delivery call-off is made by agreement via electronic data interchange (EDI).
- 2.2. Unless our order expressly stipulates otherwise, the order shall be deemed accepted if the Supplier does not object within 7 working days of receipt of our order.
- 2.3. Delivery call-offs within an ongoing business relationship shall generally become binding if the Supplier does not object within 3 working days after receipt of the delivery call-off. This shall not apply if an alternative agreement has expressly been made with the Supplier.
- 2.4. Delivery schedules, delivery forecasts and comparable documents are generally legally non-binding communications to the Supplier intended to inform it of our potential requirements and to facilitate the Supplier's planning. The quantities stated therein may change or be cancelled entirely. Subject to a deviating agreement in individual cases and provided that we have not previously informed the Supplier of a changed demand, the requirements indicated on the basis of our non-binding delivery schedules and delivery forecasts shall become binding orders for a maximum period of the last 4 weeks in the case of raw materials and a maximum period of the last week in the case of non-raw materials.
- 2.5. We are entitled to change the time and place of delivery as well as the type of packaging at any time by written notice with reasonable notice prior to the agreed delivery date. The same shall apply to changes in product specifications, provided that such changes can be implemented within the Supplier's normal production process without significant additional effort. We shall reimburse the Supplier for the proven and reasonable additional costs incurred as a result of such changes. If such changes result in delivery delays that cannot be avoided in the normal course of the Supplier's production and business operations despite reasonable efforts, the originally agreed delivery date shall be postponed accordingly. The Supplier shall notify us in writing, in good time prior to the delivery date after receipt of our notification pursuant to sentence 1, of the additional costs or delivery delays that can be expected on the basis of a careful assessment.
- 2.6. Changes to the subject matter of delivery with regard to quantity, design, execution, production process and place of production shall always require our prior written consent. The same shall apply to the involvement or replacement of sub-suppliers or subcontractors.
- 2.7. Cost estimates by the Supplier shall be binding and shall not be remunerated unless expressly agreed otherwise.

### 3. Prices, Payment Terms, Invoice Details

- 3.1. The agreed prices are stated in EURO and are binding. Unless otherwise agreed in writing, the price shall include delivery and transport to the shipping address specified in the order, including packaging, taxes, customs duties and other charges.
- 3.2. If, according to the agreement reached, the price does not include packaging or transport and the remuneration for packaging or transport is not expressly specified, such remuneration shall be calculated at the proven cost price. At our request, the Supplier shall take back the packaging at its own expense.
- 3.3. The price shall be payable within 30 days with a 3% cash discount or within 30 days net in each case after receipt of the goods/services and proper invoicing. For the timeliness of payments owed by us, receipt of our

transfer order by our bank shall be sufficient.

- 3.4. In all order confirmations, delivery notes and invoices, our order number, the item number, delivery quantity and delivery address must be stated. If one or more of these details are missing and this delays processing by us in the course of normal business operations, the above payment periods shall be extended by the duration of the delay.
- 3.5. In the event of default of payment, we shall owe default interest in the amount of five percentage points above the base interest rate pursuant to Section 247 BGB. In the event of defective delivery, we shall be entitled to withhold payment proportionately to the value until proper performance has been rendered.

#### **4. Delivery Time and Delivery, Transfer of Risk**

- 4.1. The delivery time specified in the order (delivery date or period) shall be binding. Early deliveries shall require our prior consent. If delivery "ex works" is not agreed, the Supplier shall make the goods available in good time, taking into account the usual time required for loading and shipment.
- 4.2. The Supplier is obliged to inform us immediately in writing if circumstances arise or become apparent which indicate that the delivery time cannot be met.
- 4.3. If the day on which delivery must be made at the latest can be determined on the basis of the contract, the Supplier shall be in default upon expiry of that day without any reminder on our part being required.
- 4.4. In the event of delivery delay, we shall be entitled to the statutory claims without restriction, including the right of withdrawal and the claim for damages in lieu of performance after the unsuccessful expiry of a reasonable grace period.
- 4.5. In the event of delivery delays, we shall be entitled, after prior written notice to the Supplier, to demand a contractual penalty in the amount of 0.5% per commenced week of delay, up to a maximum of 5% of the respective order value. The contractual penalty shall be credited against the delay damage to be compensated by the Supplier.
- 4.6. The Supplier shall not be entitled to make partial deliveries without our prior written consent.
- 4.7. The risk shall pass to us only when the goods are handed over to us at the agreed place of destination, even if shipment has been agreed.
- 4.8. We are obliged to carry out incoming goods inspections with regard to identity, quantity and obvious defects, i.e. transport damage. There is an obligation to give immediate notice of such obvious defects. Defects discovered later (hidden defects) shall be reported immediately after becoming known. If more extensive requirements are imposed on the incoming goods inspection to be carried out by the Purchaser pursuant to Section 377 of the German Commercial Code (HGB), the Supplier shall not rely on this.

#### **5. Defects; Warranty**

- 5.1. The Supplier warrants that the goods are free from defects, have the agreed quality and any specifications in our drawings, and comply with statutory provisions and the generally accepted rules of technology.
- 5.2. Acceptance or approval of submitted samples or specimens as well as agreements on quality targets (e.g. ppm specifications) shall not constitute a waiver of our warranty rights, nor shall such rights be shortened.
- 5.3. The warranty period shall be extended beyond Section 438 (1) No. 3 BGB to 36 months. Section 438 (3) BGB shall remain unaffected.
- 5.4. In the event of delivery of defective goods, we may assert the statutory warranty rights and, in addition, subject to the conditions set out below, demand the following:
  - a) Before the start of manufacture (processing, further processing or installation), the Purchaser shall first give the Supplier the opportunity to sort out the goods and remedy the defect or provide subsequent (replacement) delivery, unless this cannot reasonably be expected of the Purchaser. If the Supplier does not immediately begin remedying the defect after our request to do so or if the Supplier cannot be reached, we shall be entitled, in urgent cases, in particular to avert imminent danger to other legal interests or to prevent greater damage, to remedy the defect ourselves or have it remedied by a third party at the Supplier's expense. The Supplier shall bear the costs incurred thereby. We shall inform the Supplier immediately of the defect remedy.
  - b) If the defect is not discovered until after the start of manufacture or processing, the Purchaser may demand subsequent performance and reimbursement of the expenses required for subsequent performance, in particular transport and travel expenses, labor costs (e.g. inspection, sorting, removal and installation costs) and material costs.
- 5.5. Upon receipt of our written notice of defects by the Supplier, the limitation period for warranty claims shall be suspended. In the event of replacement delivery and remedy of defects, the warranty period shall recommence for replaced and repaired parts, unless we had to assume, based on the Supplier's conduct, that the Supplier did not consider itself obliged to take the measure but carried out the replacement delivery or defect remedy merely as a gesture of goodwill.

- 5.6. Other statutory or contractual rights of the Purchaser shall remain unaffected by the provisions of this section.
- 5.7. The Supplier shall record in its quality records when, in what manner and by whom the defect-free manufacture of its deliveries was ensured. These records shall be retained for 15 years and submitted to the Purchaser upon request and as required. The Supplier shall obligate sub-suppliers or subcontractors to the same extent within the scope of legal possibilities.
6. **Liability**
- 6.1. Unless otherwise provided, the Supplier shall be liable in accordance with the statutory provisions.
- 6.2. If the Purchaser is held liable by third parties on the basis of statutory liability under non-waivable law, the Supplier shall indemnify the Purchaser to the extent that it would also be directly liable. The principles of Section 254 BGB shall apply mutatis mutandis to the settlement of damages between the Purchaser and the Supplier.
- 6.3. The Supplier shall be liable for measures to avert damage (e.g. recall actions) insofar as such measures are based on the defectiveness of the goods delivered by the Supplier or another breach of duty by the Supplier. In such cases, we shall inform the Supplier and, where possible, give it the opportunity to participate.
7. **Force Majeure**
- Force majeure, riots, official measures and other unforeseeable, unavoidable and serious events shall release the parties from their performance obligations for the duration of the disruption and to the extent of its effect. This shall also apply if such events occur at a time when the affected contracting party is in default, unless it has caused the default intentionally or through gross negligence. The parties are obliged, within reasonable limits, to immediately provide each other with the necessary information and to adapt their obligations to the changed circumstances in accordance with good faith. If the impediment lasts longer than 3 months, either party may withdraw from the contract with regard to the part not yet fulfilled.
8. **Termination of Contract**
- Each party may terminate a contractual relationship for good cause without observing any notice period. Good cause shall exist in particular if insolvency proceedings are opened over the assets of the other contracting party, judicial or out-of-court settlement proceedings are opened, a corresponding application is filed, even if such application is rejected for lack of assets, if the reasons for the opening of insolvency proceedings or comparable proceedings over the assets of the other contracting party exist, or if enforcement proceedings are initiated against the entire assets of the other contracting party or a substantial part thereof.
9. **Insurance**
- 9.1. The Supplier is obliged, at its own expense, to ensure adequate insurance coverage with regard to its deliveries and services.
- 9.2. In the case of deliveries of goods, this shall also include extended product liability insurance (including coverage for combination/mixing, further processing, further treatment as well as removal and installation) with an adequate insured sum, but at least EUR 10 million per personal injury or property damage, which shall also apply to financial losses and shall also include foreign damage including North America as well as worldwide coverage for motor vehicle recall costs in this amount. Upon request, the Supplier shall provide evidence of the insurance coverage.
- 9.3. The Supplier shall ensure that the extended product liability insurance it has taken out complies at least with the recommendations of the German Insurance Association (GDV) in the General Conditions for Liability Insurance and the Special Conditions for Product Liability Insurance of Industrial and Commercial Enterprises, in each case in the version currently in force.
- 9.4. If the Supplier has insurance coverage that goes beyond the warranty and liability claims of the Purchaser set out in these General Terms and Conditions of Purchase (e.g. longer warranty periods; simplifications in the provision of evidence, etc.), the Purchaser shall also be entitled to assert claims against the Supplier to this extent or to rely on the provisions of the insurance coverage existing in favor of the Supplier.
10. **Spare Parts**
- If the Supplier intends to discontinue the production of spare parts for the products delivered to us, it shall notify us immediately after the decision to discontinue. This decision must be made at least 6 months prior to the discontinuation of production.
11. **Retention of Ownership / Protection of Property**
- 11.1. We reserve ownership or copyright in orders and purchase orders issued by us as well as in drawings, illustrations, calculations, descriptions and other documents provided to the Supplier. The Supplier may not make them accessible to third parties, disclose them, use or reproduce them itself or through third parties without our express consent. At our request, the Supplier shall return these documents to us in full if they are no longer required by it in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. Any copies made by the Supplier shall be destroyed in such cases; excluded from this are only retention within the

scope of statutory retention obligations as well as the storage of data for backup purposes within the scope of customary data backup.

- 11.2. Tools, devices and models provided by us to the Supplier or manufactured for contractual purposes and separately charged to us by the Supplier shall remain our property or shall become our property. They shall be marked by the Supplier as our property, carefully stored, insured against damage of any kind and used only for the purposes of the contract. The costs of maintenance and repair of these items shall be borne by the Supplier. The Supplier shall inform us immediately of any damage to these items that is not merely insignificant. Upon request, the Supplier shall be obliged to surrender these items to us in proper condition if they are no longer required by it to fulfill the contracts concluded with us.
- 11.3. Models, dies, templates, samples, tools and other production equipment, as well as confidential information provided to the Supplier by the Purchaser or fully paid for by it, may only be used for deliveries to third parties with the Purchaser's prior written consent.
- 11.4. Parts and materials supplied by us shall remain our property. Processing or assembly shall be carried out in the name and on account of the Purchaser as manufacturer; we shall acquire ownership immediately or – if processing is carried out using materials of several owners or if the value of the manufactured item is higher than the value of the supplied parts and materials – co-ownership of the newly created item.
- 11.5. Retention of title by the Supplier shall apply only insofar as it relates to our payment obligation for the respective products for which the Supplier retains title. In particular, extended or expanded retention of title shall be inadmissible.
- 11.6. If we remunerate development services of the Supplier by a one-time payment, allocation to the unit price or in any other manner, the Supplier shall grant us a non-exclusive, irrevocable, transferable, unlimited in time, territory and content right to use, modify, edit and distribute, free of charge, its copyright-protected results in connection with the development and delivery (e.g. designs, drawings, sketches, layouts, plans, construction data, information).

## **12. Intellectual Property Rights**

- 12.1. The Supplier warrants that no third-party intellectual property rights are infringed in connection with its delivery in countries of the European Union, North America or other countries in which it manufactures or has the products manufactured.
- 12.2. The Supplier is obliged to indemnify us against all claims asserted by third parties against us due to the infringement of industrial property rights mentioned in the preceding paragraph and to reimburse us for all necessary expenses incurred in connection with such claims. This claim shall exist irrespective of any fault on the part of the Supplier.

## **13. Confidentiality**

- 13.1. The parties undertake to treat all non-public commercial and technical details that become known to them through the business relationship as trade secrets. Sub-suppliers or subcontractors shall be obligated accordingly.
- 13.2. Without our prior written consent, the Supplier may not refer to the business relationship with us in advertising material, brochures, etc., nor exhibit delivery items manufactured for us.

## **14. Set-off, Retention, Assignment**

- 14.1. We shall be entitled to rights of set-off and retention to the extent permitted by law.
- 14.2. The Supplier shall not be entitled to assign its claims arising from the contractual relationship to third parties. This shall not apply insofar as monetary claims are concerned.

## **15. Place of Performance, Jurisdiction, Applicable Law**

- 15.1. The place of performance shall be the registered office of the Purchaser. The exclusive place of jurisdiction for all disputes arising from the contractual relationship shall be Schwabach (Germany).
- 15.2. The contracts concluded between us and the Supplier shall be governed by the law of the Federal Republic of Germany, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

## **16. Severability Clause**

If any provision of these General Terms and Conditions of Purchase and the additional agreements concluded is or becomes invalid, this shall not affect the validity of the remainder of the contract. The contracting parties are obliged to replace the invalid provision with a regulation that comes as close as possible to the economic intent of the invalid provision.