

1. Definitions

- 1.1. Löhnert Elektronik GmbH ("LÖHNERT"), Oskar-Sembach-Ring 18, 91207 Lauf a. d. Pegnitz, Germany, is the company referred to as "Purchaser" according to the offer or order;
- 1.2. "Contract" refers to any binding agreement as defined in Section 3;
- 1.3. "Goods" refers to both tangible and intangible goods, including software, related documentation and packaging; the term "Goods" also includes "Services", unless otherwise provided in these Terms and Conditions;
- 1.4. "Services" refers to services and works which the Supplier provides for LÖHNERT on the basis of the Contract;
- 1.5. "Supplier" refers to any natural or legal person (including, where applicable, the companies affiliated with it) which concludes a contract with LÖHNERT.
- 1.6. "Subcontractors" refers to companies that supply Goods to the Supplier or provide Services to the Supplier.

2. Application

- 2.1. These General Terms and Conditions of Purchase together with the relevant order issued by LÖHNERT constitute the conclusive conditions under which LÖHNERT purchases or orders Goods. Any general terms and conditions of the Supplier shall not become part of the contractual relationship. They shall also not apply if deliveries are accepted without reservation or if they are not expressly contradicted.
- 2.2. Individually negotiated agreements with the Supplier take precedence over these Terms and Conditions of Purchase. The content of such agreements shall be governed by a written contract. Legally relevant declarations and notifications made by the Supplier after conclusion of the Contract (e.g. definition of a deadline or withdrawal) must be made in writing to be effective.
- 2.3. These Terms and Conditions of Purchase shall also apply in their current version to future contracts for the purchase of Goods, without the need to refer to them again in each individual case. The Supplier shall be informed of any changes without delay.
- 2.4. References to the applicability of statutory provisions serve only as clarification. Even without such clarification, the statutory provisions shall always be applicable and, where necessary, be supplementary, provided they are not directly amended or expressly excluded in these Terms and Conditions of Purchase.

3. Conclusion of contract, content of contract

- 3.1. Unless otherwise agreed, the Supplier shall confirm the order in writing within one week or execute it without reservation (acceptance). If the Supplier does not object within one week after receipt of the order, the order is considered accepted unless LÖHNERT cancels the order within this week.
- 3.2. If the Supplier accepts valid orders from LÖHNERT, be it by acceptance, by delivery of Goods or by performance of Services, a binding contract is concluded. Such a contract shall be subject exclusively to the terms and conditions of these General Terms and Conditions of Purchase, the corresponding purchase order and any attachments referenced in the purchase order. LÖHNERT's General Terms and Conditions of Purchase shall not be changed either tacitly or by acceptance of the Goods or by any other routine or business practice.
- 3.3. The Supplier shall bear all costs it incurs in preparing the conclusion of the contract, in particular costs of cost estimates.

4. Essential importance of deadlines, contractual penalty

- 4.1. Compliance with the agreed deadlines is essential for the purpose of the Contract, and all deadlines in the Contract are binding. Should the Supplier anticipate difficulties in meeting a deadline or in fulfilling other obligations, it shall notify LÖHNERT immediately in writing.
- 4.2. If the Supplier is in default, LÖHNERT can demand a contractual penalty of 0.2% of the net price per completed business day, but in total not more than 5% of the net price of the Goods delivered late. LÖHNERT is entitled to demand the contractual penalty in addition to performance and as a minimum amount of compensation for damages owed in accordance with the statutory provisions; the assertion of further damages remains unaffected. If LÖHNERT accepts the delayed performance, the contractual penalty can be claimed at the latest until the final payment. The obligation to pay the contractual penalty shall not apply if the Supplier is not at fault.

5. Deliveries

- 5.1. Unless expressly agreed otherwise in writing, all deliveries shall be made DAP Works of the Purchaser in accordance with Incoterms 2020. With a delivery in accordance with the applicable Incoterms 2020 clause, the delivery is deemed to have been made.
- 5.2. Packaging shall only be returned by separate agreement.
- 5.3. Partial deliveries and delivery before the agreed delivery date are to be agreed with LÖHNERT. LÖHNERT reserves the right to refuse acceptance and to return the Goods at the expense and risk of the Supplier if the type of delivery, the delivery date or the agreed delivery costs are not met. LÖHNERT shall not bear any costs with regard to production, installation, assembly or other work in connection with the Goods which the Supplier incurs before the time of delivery in accordance with the Contract.
- 5.4. The Supplier shall pack, label and dispatch the Goods in accordance with the relevant practices of a prudent businessman in such a way that avoids damage during transport and that enables efficient unloading, handling and storage of the Goods.
- 5.5. In order confirmations, delivery notes, freight documents, parcel addresses, invoices and other correspondence, the order number must be indicated with date, unloading point and material number. One copy of the delivery note shall be presented with the shipment.

6. Prices, terms of payment

- 6.1. All prices listed in the Contract are fixed prices including packaging and any necessary licenses. All prices include statutory value added tax, unless this is listed separately. Additional claims of any kind are excluded.
- 6.2. Upon delivery of Goods or acceptance of Services, but no later than two months following delivery or acceptance, the Supplier shall issue an invoice that meets all relevant legal and fiscal requirements. Invoices are to be sent by e-mail in PDF format to einkauf@Loehnert-Elektronik.de.
- 6.3. Payment shall be made within fourteen (14) days with a 3% discount or within thirty (30) days following approval/acceptance of the Goods and receipt of a proper invoice.
- 6.4. LÖHNERT may at any time offset claims it has against the Supplier against claims the Supplier has against LÖHNERT.

7. Quality assurance

- 7.1. If the contractual relationship is based on a quality assurance agreement, the Supplier shall manufacture the products in accordance with the quality described therein.
- 7.2. The Supplier is prohibited from making changes to the Goods without the prior consent of LÖHNERT, in particular changes to procedures or design, changes with regard to the manufacturing processes (including the geographical location) as well as changes to the mechanical form or fit, functionality, environmental compatibility, chemical properties, service life, safety or quality of the Goods.
- 7.3. The Supplier undertakes to continuously apply a quality management system in accordance with the current DIN EN ISO 9001 et seq. or a system which at least fulfils all the substantive requirements of the current standard. He shall prepare documentation regarding these tests.
- 7.4. LÖHNERT has the right to demand proof of the Supplier's quality management system and to satisfy itself of the manner in which the tests and inspections are carried out on site, if necessary also at the premises of subsuppliers, and to carry out an audit at the Supplier's company.

8. Agreed qualities

- 8.1. The Supplier warrants to LÖHNERT that: a) the Goods are suitable for the intended use and that they are new, marketable, of good quality and free from defects in design, material, construction, manufacture and installation; b) the Goods strictly conform to the specifications, approved samples and all other requirements resulting from the Contract; c) all necessary licenses with respect to the Goods are available and valid; the scope of the licences properly covers the intended use of the Goods; d) the Goods are free from encumbrances and from rights of third parties, in particular free from encumbrances; e) all Goods are developed, manufactured, delivered and all Services are provided in accordance with the applicable statutory provisions and regulations, in particular, if applicable, the German Product Safety Act (ProdSG), the

environmental, occupational health and safety and accident prevention regulations, labour law and minimum wage laws; f) the Goods are provided with all information and instructions necessary for proper and safe storage, use, processing, further distribution and disposal; g) no Goods infringe any patent or copyright (including image rights and moral rights), trade secrets, trademarks or other property rights of a third party in Germany or abroad.

- 8.2. The Supplier shall inform LÖHNERT immediately in the event of discrepancies from the qualities stated above, in particular in the event of inconsistencies between the contractual specification and mandatory legal regulations or the state of the art in science and technology. In this case, LÖHNERT and the Supplier will find a solution by mutual agreement.
- 8.3. Unless a longer warranty period is applicable by law, the contractual warranty period for delivered Goods shall be 36 months from delivery by the Supplier, for works and services, 36 months from acceptance or completion of the Services.
- 8.4. In the event of rectification of defects or replacement delivery within the warranty period, the warranty period for repaired or replaced Goods shall be 24 months from renewed delivery or acceptance, but shall run at least until the end of the original warranty period.

9. Inspection, refusal, acceptance

- 9.1. Technical tests are required to determine whether machines and systems possess the agreed quality. If the machines are determined to not possess the agreed qualities, the Supplier will be given a reasonable period of time for subsequent performance.
- 9.2. The acceptance or inspection of or payment for the Goods by LÖHNERT does not constitute unconditional approval and does not release the Supplier from its contractual obligations, promises and warranties.
- 9.3. LÖHNERT is entitled to inspect the Supplier's manufacturing process after giving short notice. The Supplier must take adequate precautions to support safety and ease the effort required on the part of LÖHNERT employees.
- 9.4. LÖHNERT will accept Services after completion and corresponding notification of the Supplier. LÖHNERT will immediately check Goods for externally visible transport damage and for completeness. Obvious defects will be reported immediately, normally within 2 weeks after receipt of Goods. Complaints for hidden defects will be reported immediately, normally within 2 weeks of their discovery. The Supplier will collect the Goods that are the subject of a complaint from LÖHNERT at its own expense within two (2) weeks following notification of the defect, or will perform the Services immediately at its own expense according to LÖHNERT's instructions. If the Goods are not collected within two (2) weeks, LÖHNERT is entitled to return the Goods to the Supplier or to store them at the Supplier's expense and risk. Other or further contractual or legal claims of LÖHNERT remain unaffected by this.
- 9.5. If, following a random spot check, it is determined that part of a lot or a delivery of the same or similar items is not in accordance with the Contract, LÖHNERT may refuse to accept the whole delivery or the whole delivery lot and return it without further inspection; alternatively, LÖHNERT may carry out an inspection of the whole lot or delivery and refuse to accept all or certain Goods that are not in accordance with the Contract and return them to the Supplier (or accept them at a reduced price) as well as charge for the costs of the inspection.

10. Defect rights

- 10.1. In the case of Goods that do not correspond to the agreed quality or are otherwise not in accordance with the Contract, LÖHNERT is entitled – without prejudice to the other rights and remedies under the law or under the Contract (in particular other claims for damages) – to: a) demand, at its discretion, the immediate remedy of the defect or replacement (“subsequent performance”) at no cost; and b) reduce the price, to withdraw from the Contract in whole or in part or to demand compensation for damages instead of performance if the subsequent performance remains unsuccessful after the expiry of a reasonable period of time set by LÖHNERT; the right to claim damages is not restricted by the withdrawal; and c) effect subsequent performance itself at the expense of the Supplier in especially urgent cases in which the Supplier cannot be informed in time to effect subsequent performance within a grace period.
- 10.2. The Supplier shall bear all costs and expenses for remedying the defect, the replacement delivery and the transport of the defective Goods or Services; the Supplier shall compensate LÖHNERT for all costs and expenses incurred thereby (in particular testing, installation, removal, handling and storage costs). LÖHNERT can also demand reimbursement of costs incurred in connection with tests if LÖHNERT is forced by an above-average occurrence of defects to carry out an incoming goods inspection that goes beyond the usual random spot checks.
- 10.3. In the case of defects that only become apparent during the handling or processing of the Goods by LÖHNERT or first become apparent during use, LÖHNERT is entitled to demand reimbursement for wasted costs incurred.
- 10.4. Further or other contractual or legal rights or claims (including claims for damages of any kind) remain unaffected by the above provisions.

11. Indemnity

- 11.1. Provided the Supplier is responsible for damage outside of the delivered Goods and claims are made against LÖHNERT on the basis of statutory product liability, the Supplier is obliged to indemnify LÖHNERT on first demand from claims for damages by third parties to the extent that the cause of the damage is within the Supplier's area of responsibility and it is liable in the external relationship.
- 11.2. Within the scope of its liability for cases of damage as defined by Para. (1), the Supplier is also obliged to reimburse any expenses in accordance with Sections 683, 670 as well as Sections 830, 840, 426 of the German Civil Code (BGB), which arise from or in connection with a recall action carried out by LÖHNERT and/or by third parties, in particular by their customers. In particular, the Supplier indemnifies LÖHNERT against all claims of its customers which are asserted in connection with preventive customer measures (including recall). LÖHNERT will inform the Supplier – provided it is possible and reasonable to do so – of the content and scope of the recall measures to be carried out and will give the Supplier the opportunity to comment. Other legal claims remain unaffected.

12. Insurance

The Supplier undertakes to maintain a product liability insurance policy valid worldwide with a total cover of at least € 5 million (five million euros) per personal injury/property damage claim as well as an insurance policy to cover the recall risk with a total cover of at least € 5 million (five million euros) – lump sum – and to provide us with confirmation of insurance upon request.

13. Property of LÖHNERT

- 13.1. Unless otherwise agreed, title to the Goods is transferred to LÖHNERT at the time of handover in accordance with the applicable Incoterms clause in each case. Title to the Service is transferred to LÖHNERT upon acceptance.
- 13.2. Any extended reservations of title are contradicted.
- 13.3. All tangible and intangible objects (including intellectual property rights and know-how), which are provided to the Supplier or made accessible to the Supplier by or on behalf of LÖHNERT for the purpose of fulfilling the Contract, are and remain the exclusive property of LÖHNERT. They may be used only for the fulfilment of contractual obligations. The Supplier is obliged to treat the objects with the care of a prudent businessman. The Supplier shall bear the risk of accidental loss, deterioration and destruction of the objects provided.
- 13.4. Any processing is carried out by the Supplier on behalf of LÖHNERT. If the Supplier acquires joint property by combining or mixing, it hereby assigns its joint property share to LÖHNERT. Handover is substituted with free storage by the Supplier.
- 13.5. Objects that represent a substitute for the property of LÖHNERT become the sole property of LÖHNERT. Handover is substituted with free storage of the objects for LÖHNERT.
- 13.6. The property of LÖHNERT may not be transferred to third parties without the written consent of LÖHNERT. All relevant information is to be treated as confidential and is the property of LÖHNERT.
- 13.7. All objects provided must be marked as the property of LÖHNERT as far as technically possible and stored at the risk of the Supplier. They are to be maintained in good condition and – if necessary – replaced by the Supplier at the Supplier's expense with the prior consent of LÖHNERT. They are periodically subjected to an inventory by the Supplier upon request by LÖHNERT, provided the request is made at reasonable intervals. Upon the first request by LÖHNERT, the provided objects are to be handed over to LÖHNERT.

14. Subcontractor

- 14.1. The Supplier is itself responsible for the production and quality of the Goods. The Supplier also retains responsibility for the execution of the Goods in accordance with the Contract if the production or individual processing steps are carried out by a Subcontractor or if material is purchased from third parties.
- 14.2. Subcontractors may only be used with the prior written consent of LÖHNERT.
- 14.3. Provided that damage has been caused by defective performance of the Subcontractor, the Purchaser is entitled, at its discretion, to demand the assignment of the defect claims against the Subcontractor instead of asserting claims for damages against the Supplier.

15. Compliance with laws, statutory minimum wage

- 15.1. The Supplier shall at all times observe all relevant laws, rules, regulations and ordinances (in particular with regard to product safety, packaging, fair working conditions, equal opportunity and compliance with environmental protection requirements), insofar as they apply in the country of manufacture or the country of destination of the Goods or at the place of performance of the Service.
- 15.2. The Supplier shall provide LÖHNERT with all information necessary to enable LÖHNERT to comply with all relevant laws, rules and regulations when using the Goods.
- 15.3. The Supplier undertakes that the Supplier itself and all Subcontractors engaged by it as well as any hirers commissioned by said Subcontractors will pay the workers employed the minimum wage applicable at the time in accordance with the German Minimum Wage Act (MiLoG). In addition, the Supplier confirms that its company and the Subcontractors used by it are not excluded from the award of public contracts under Section 19 of the German Minimum Wage Act (MiLoG).
- 15.4. LÖHNERT is entitled to demand random payroll accounting for the workers employed by the Supplier and Subcontractors in anonymised form (wage and salary lists).
- 15.5. In the event that a claim is made against LÖHNERT by an employee of the Supplier and/or Subcontractors on the basis of an actually existing claim for remuneration in accordance with the German Minimum Wage Act (MiLoG), the Supplier undertakes to pay LÖHNERT upon first request a contractual penalty of € 250.00 (two hundred and fifty euros) for each case of claim. The contractual penalty to be paid shall be set off against any claim for damages and shall be limited to a maximum of 10% of the respective price and to a total of € 25,000.00 (twenty-five thousand euros) per calendar year. The obligation to pay the contractual penalty shall not apply if the Supplier is not at fault.

16. Force majeure

- 16.1. In the event that the Supplier is prevented from fulfilling its contractual obligations due to an event of force majeure and the Supplier can prove the existence of such an event with sufficient evidence, the fulfilment of these obligations shall be suspended for as long as the event of force majeure exists. A force majeure event is an unforeseeable event beyond the control of the Supplier.
- 16.2. LÖHNERT has the right to terminate the Contract in writing with immediate effect and without any obligation to pay damages to the Supplier if the context of the non-performance justifies immediate termination or if the circumstances giving rise to the force majeure last for more than thirty (30) days.
- 16.3. An event of force majeure on the part of the Supplier cannot be a lack of personnel, production materials or resources, a strike or a breach of contract by third parties.

17. Confidentiality

- 17.1. The Supplier shall treat all information disclosed by LÖHNERT or on behalf of LÖHNERT within the framework of the Contract as confidential. This also applies to such information that the Supplier has created for LÖHNERT. Any information may only be used by the Supplier for the purpose of fulfilling the Contract. The Supplier shall treat such information with the same care as it would treat its own confidential information, but with at least reasonable care. All this information remains the property of LÖHNERT. Upon request by LÖHNERT, the Supplier will return the relevant documents to LÖHNERT without delay and will not retain any copies of them, unless this is contrary to any mandatory legal or official regulations or directives.
- 17.2. The Contract itself as well as its contents must be treated as confidential by the Supplier.

18. Choice of law, place of jurisdiction

- 18.1. This Contract is subject to the law of the Federal Republic of Germany. Application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) is excluded.
- 18.2. The exclusive, as well as international, place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship is the registered office of LÖHNERT. LÖHNERT is entitled to bring an action at the Supplier's place of general jurisdiction.

Lauf a.d. Pegnitz, Germany, July 2020