

General Terms and Conditions of Purchase

1. General

1.1 These terms and conditions of purchase are exclusively valid. The supplier's terms and conditions do not apply unless otherwise explicitly agreed on in writing. These terms and conditions also apply if KARRÉ GmbH, Bayerwaldstr. 44, 81737 Munich (hereafter "KARRÉ"), knowing about the deviating terms and conditions of the supplier (hereafter "Supplier"), accepts the delivery without reservation or if KARRÉ refers to a letter containing or referring to the trading conditions of the supplier or a third party. They also exclusively apply for all future deliveries, services or quotations, even if they are not separately agreed again. They apply only to entrepreneurs in the sense of § 310 section 1 of the German civil code.

1.2 All agreements made between KARRÉ and the supplier for the purpose of executing this contract shall be recorded in writing.

2. Orders – Offers – Offer Documents – Right to modification

2.1 Supply contracts (orders and acceptances) and delivery schedules as well as modifications and amendments are required in writing. If the supplier wants to deviate from the order or the contractual terms, he has to clearly point that out to KARRÉ. The deviated acceptance of an order requires a written agreement from KARRÉ. The supplier shall verify each order before acceptance. If order information is unclear, inconsistent, incomplete, wrong or obviously erroneous, the supplier is obliged to immediately inform the customer about that.

2.2 Unless otherwise agreed, orders must be accepted within 5 working days. The receipt of the acceptance at KARRÉ is decisive. Orders are considered as accepted if the supplier does not contradict within 5 working days. KARRÉ is allowed to partially or completely cancel an order until its acceptance by the supplier.

2.3 For an order conveyed and used documents (drawings, material specifications, DIN-norms, pictures, calculations, etc.) are performance descriptions and determine the quality of the contractual service. These performance descriptions are not conclusive. KARRÉ reserves its property right and copyright for all documents. They are not to be made accessible to third parties without KARRÉ's written and explicit approval. They shall exclusively be used for manufacturing the goods based on the order. The supplier shall completely return all documents and copies without a separate demand to KARRÉ if negotiations do not lead to a conclusion of a contract or if they are no longer necessary in the ordinary course of business.

3. Prices and payment terms

3.1 The price stated in the order is binding. Unless otherwise agreed in writing, the price includes the DDP delivery (according to Incoterms 2010), including packaging, at the agreed place of destination. The supplier can be obliged to take the packaging material back at his expenses. An obligation to refund of KARRÉ only exists if a special agreement has been made.

3.2 The statutory VAT is not included in the price.

3.3 Invoices issued to KARRÉ can only be processed if order details such as order no., all mandatory information as quantity, customs-tariff no., price, total value, description of the article, bank account as well as delivery and payment terms are included. The supplier is responsible for all consequences resulting from the non-compliance of this obligation unless proven otherwise.

Unless otherwise agreed, payments shall be issued with a discount of 3% within 30 days' net after acceptance of delivery (or in case of early delivery in regards to an agreed delivery time) and receipt of a proper invoice as well as proper delivery documents or within 90 days' net. Down payments are discountable. Each payment is discountable apart from the payments timely issued. The discount period is kept as long as the payment was issued within this period.

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3.4 The supplier is not entitled to assign any claims against KARRÉ or have claims collected by third parties without KARRÉ's written agreement. KARRÉ shall not unreasonably refuse the agreement. If the reservation of title of the pre-supplier has been extended, the agreement in favor of the pre-supplier shall be granted. A transferred financial claim without consent is nonetheless effective. In this case, however, KARRÉ is entitled to make payments to the supplier with liberating effect even if the transfer is known.

3.5 KARRÉ is entitled to the offset right and right of retention in a statutory scope.

4. Terms of delivery

4.1 Unless otherwise agreed, deliveries shall be made DDP (according to the Incoterms 2010) at the agreed place of destination. The risk shall only be transferred to KARRÉ if the delivery is made to KARRÉ or the agreed place of destination.

4.2 Order and article number must be stated on all shipping documents. Moreover, necessary statutory information, information pursuant to commercial and transport law, export control numbers, significant information or references regarding processing and preserving, information on hazardous ingredients, compliances with statutory guidelines and regulations as well as the declaration of commodity and data sheets to potential risks including all comments on how to safely handle those products shall be made. KARRÉ cannot be held responsible for delays based on missing information. These shall be provided by the supplier immediately.

4.3 The supplier is entitled to partial deliveries or services as long as KARRÉ grants its approval in writing.

5. Delivery time – Delays

5.1 Delivery times mentioned in the order are binding.

5.2 Pre-deliveries are only permissible upon KARRÉ's approval. If an early delivery takes place without KARRÉ's agreement, KARRÉ is entitled to reduce the purchase price (for instance storage costs, return shipments) accordingly.

5.3 The supplier is obliged to immediately inform KARRÉ in writing about any circumstances that occur or that he knows of which are or might be responsible for the delay.

5.4 KARRÉ is entitled to its statutory claims in case of delay. In particular, KARRÉ is entitled to withdraw from the contract and demand claims for damages instead of delivery or services if the extended deadline expires without successful delivery. Furthermore, KARRÉ is entitled to invoice costs for line down or similar costs. The supplier has the right to prove that no or a minor damage was done to KARRÉ due to the delay.

6. Power of amendment and Right of termination

6.1 Unless otherwise agreed, KARRÉ is entitled to alter the time and place of delivery as well as the means of packaging in writing at any time, but at least 5 working days prior to the agreed delivery date. The same applies to alternation made on product specifications as long as they can be implemented without any significant additional efforts and within the production process on the Supplier's side, in which case referring to the aforementioned sentence, the period of notifications is at least 20 working days. Furthermore, KARRÉ can partially or totally decline the delivery for the time being at any time. KARRÉ shall compensate all determined and considerable, additional costs arising from the changes to the Supplier prior to agreement. If delivery delays result due to those changes and if the delays cannot be avoided in the ordinary course of production and business even though reasonable efforts are taken by the supplier, the original agreed delivery date shall be

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postponed accordingly. The supplier is obliged to inform KARRÉ in writing about any delivery delays and expected additional costs the Supplier reasonably estimated beforehand, in time, however, within 5 working days after receipt of the change notification.

6.2 KARRÉ is entitled to partially or totally cancel orders at any time. In this case, the Supplier is entitled to claim remuneration for previously provided services as well as imputed profits resulting thereof. The supplier, however, shall deduct the sum he saves on expenses or profit he gains elsewhere. The supplier's right to compensation does not apply if he is to be held responsible for the cancellation of the order or in any other case.

6.3 In case of termination or change of production or change of specification of ordered or already purchased goods on the supplier's side, which effect shape, fit or function of the product, the supplier shall inform KARRÉ in time and within a 90 days' period of notice. In regards to that, the supplier gives KARRÉ at least 30 working days to analyze possible effects and grants KARRÉ the possibility to place a last order with a sufficient quantity or to cancel existing orders and to return and receive compensation for all already delivered goods.

7. Investigation of defects

7.1 The supplier is obliged to check the goods for any defects, completeness and accordance with the order in connection with an outgoing inspection.

7.2 Unless otherwise stated in a quality assurance agreement and if the acceptance of delivery is not required by § 640 of the German civil code, the regulations of this section 7.2 apply. Obvious defects will be immediately claimed by KARRÉ. Furthermore, KARRÉ will claim defects which occur during the ordinary course of business within 10 working days' after receipt of the goods. Hidden defects will be claimed after its establishment and within 10 working days by KARRÉ. If specific documentation or technical information are to be provided by the supplier for the ordinary inspection of defects, the deadlines apply only after provision of the required information. In this respect, the Supplier waives its objection of delayed notification.

7.3 If the shipment consists of similar types and more than 10 % of the delivered goods are defective, KARRÉ is entitled to send the total delivery back to the Supplier without further inspection obligation at his cost and risk and to exercise claims from liability for defects and/or refuse payment.

7.4 In case of defects of the goods, KARRÉ is entitled to assert additional costs incurred in connection with the defect investigation, if the supplier is responsible for the defect. If the Supplier is not responsible for the defect, KARRÉ and the Supplier share the additional expenses incurred in connection with the defect investigation

8. Liability for defects

8.1 The Supplier guarantees that the delivered goods are free of defects, adequate for its discernible or advised application, the goods and its parts are delivered according to the exact specification of KARRÉ as well as the quality complies with the newest state of the art and KARRÉ's particular guidelines. The Supplier is liable for the safety of the products, which should be according to the newest state of the art and science. The Supplier assures that he is sufficiently organized in regards to the performance of the contract and that he has reliable personnel.

8.2 KARRÉ is entitled to its full statutory claim for defects. KARRÉ can especially demand remedy or delivery of new goods regarding the subsequent performance at its own choice from the supplier. The right to claim damages, in particular for damages instead of services, remain explicitly reserved.

8.3 In the event of subsequent performance, KARRÉ may remedy the defects itself or have it carried out by a third party, whereby the Supplier shall bear any costs incurred (including possible removal costs, in the case of cost of sales excluding profit shares): (i) Where necessary in urgent

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cases (e. g. if a non-negligible increase in damages occurs during the course of action according to the following regulation) after immediate notification to the supplier; or (ii) after prompt notification of the defect and the estimated costs to the supplier, in cases where (a) these costs are less than 5% of the delivery value, without further ado; or (b) these costs are below 25% of the delivery value and the Supplier does not object to KARRÉ on the next working day after notification at the latest and, in case of an objection, does not commence at the latest one working day after the objection has been raised; or (c) in all other cases, if the Supplier does not object on the second working day after notification and, in case of objection, does not commence at the latest one working day after the objection to subsequent performance.

8.4 If the same goods are repeatedly delivered deficiently, KARRÉ is entitled to withdrawal after a written warning in case of another faulty delivery even for the unfulfilled scope of delivery.

8.5 If, due to a series defect or partial / batch series defect, the replacement of a whole series of contractual items or products manufactured by KARRÉ into which the delivered goods have been installed is required, for example because an error analysis in a particular case is uneconomic, impossible or unreasonable, the supplier shall also reimburse the costs for the part of the series concerned which has no technical defect.

9. Quality Assurance and Electronic Industry Citizenship Coalition (EICC)

9.1 The supplier should maintain a certified quality management system that complies with the specifications of DIN EN ISO 9001 in its current version and further develops its quality management system with respect to the requirements of DIN / ISO TS16949. The certification must be proved to KARRÉ by submission of valid certificates. KARRÉ is entitled to assure itself of the fulfillment and the effectiveness of the requirements by means of audits carried out with the supplier. The Supplier will check and document the goods to be delivered to KARRÉ in accordance with the rules prescribed by its quality management system and agreed upon with KARRÉ and add agreed documents to each delivery. In addition, the unique final production inspection results required in KARRÉ material specifications must be provided to KARRÉ in the form of clear documents.

9.2 If no certification is available, the Supplier shall submit a truthfully completed and legally signed self-assessment to KARRÉ upon KARRÉ's request prior to the first delivery. In case of a negative evaluation of the supplier's self-assessment, KARRÉ is entitled to stop deliveries.

9.3 The Supplier shall inform KARRÉ about significant changes in its quality management system, of essential characteristics of the ordered goods and of changes in their manufacturing steps as in 6.3. described in more detail in a timely and complete manner so that KARRÉ can assess the extent of the changes and comment on them.

9.4 KARRÉ reserves the right to require the supplier to conclude special quality assurance agreements if this is deemed necessary due to technically demanding deliveries, additional customer demands or changes in KARRÉ's quality management system.

9.5 KARRÉ expects its suppliers to comply with and abide by the RBA Code of Conduct in its current version (www.responsiblebusiness.org). The grossly negligent or intentional breach of obligations under the RBA Code of Conduct entitles KARRÉ to rescind or terminate any business relationship.

10. Limitation

10.1 The period of limitation is 36 months, calculated from the transfer of risk. In deviation to this, the period of limitation for defects is 60 months from the transfer of risk.

10.2 Upon receipt of a notification of defects by the supplier, the limitation period for claims due to liability for defects is inhibited.

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11. Product liability

11.1 Insofar as the supplier is responsible for a product damage, he is obliged to indemnify KARRÉ insofar from claims for damages of third parties upon first request, as the cause is set in his sphere of control and organization and he himself is liable externally.

11.2 Within the scope of his liability for claims in the terms of section 11.1, the supplier is also obliged to reimburse any expenses pursuant to §§ 683, 670 of the German Civil Code as well as §§ 830, 840, 426 of the German Civil Code occurring from or in connection with a recall action carried out by KARRÉ. KARRÉ will inform the supplier – as far as possible and reasonable – about the content and extent of the recall action and give him the opportunity to comment. Other legal claims remain unaffected. The supplier is obliged to maintain a product liability insurance covering at least € 5,000,000, but at least the value and extent of the delivered goods, per personal injury/property damage, as well as adequate insurance for financial losses and to hand over the current insurance conditions to KARRÉ upon request. Upon special request of KARRÉ, the supplier undertakes to conclude an appropriate product recall insurance. If KARRÉ is entitled to further claims for damages, these remain unaffected.

12. Property rights of third parties

12.1 KARRÉ ships worldwide. The supplier ensures that no rights of third parties are violated in connection with his delivery. At the request of the supplier, KARRÉ names the countries in which products are delivered, of which the delivered goods are part.

12.2 If KARRÉ is used by a third party for the reasons stated in section 12.1, the supplier is obliged to release KARRÉ from these claims upon first written request. This indemnity obligation relates to all expenses necessarily incurred by KARRÉ arising out of or in connection with the claim of a third party. The Supplier is also obliged to provide KARRÉ with all documents and information necessary to defend against the claims. KARRÉ is not entitled to make any agreements with the third party without the consent of the supplier, in particular to conclude a settlement.

13. Confidentiality

13.1 The supplier is obliged to keep all illustrations, drawings, calculations and other documents and information strictly confidential. They may only be disclosed to third parties with the explicit consent of KARRÉ. The secrecy obligation also applies after completion of this contract; It expires if and insofar as the manufacturing knowledge contained in the provided illustrations, drawings, calculations and other documents has become generally known.

13.2 Dies gilt auch für Unterlagen, die der Lieferant nach Angaben von KARRÉ anfertigt. Er ist verpflichtet, solche Unterlagen als Geschäftsgeheimnisse zu betrachten und vertraulich zu behandeln. Für Schäden, die KARRÉ aus der Verletzung dieser Verpflichtung erwachsen, übernimmt der Lieferant die Haftung. Er erklärt sich bereit, alle ihm zugänglich gemachten Unterlagen sowie Vervielfältigungen derselben auf Verlangen von KARRÉ jederzeit herauszugeben. Ein Zurückbehaltungsrecht an den Unterlagen ist ausgeschlossen.

This also applies to documents which the supplier produces according to KARRÉ. He is obliged to treat such documents as business secrets and to treat them confidentially. For damages that accrue to KARRÉ from the violation of this obligation, the supplier assumes liability. He agrees to return all documents and its duplications made available to him upon KARRÉS request at any time. A right of retention of the documents is excluded.

13.3 The supplier will oblige its subcontractors to maintain secrecy.

14. Reservation of title

A reservation of title of the supplier to delivered goods is excluded. This does not apply to a simple reservation of title, as far as the supplier provably has to secure his trade credit and the reservation of title refers to the respective payment obligation for the reserved goods and the businesses of KARRÉ are not about mass sales and, in addition, a cash transaction between the supplier and KARRÉ.

15. Supplied material and tools

15.1 If KARRÉ provides material to the supplier, KARRÉ retains title to it. Material provided by KARRÉ may not be passed on to third parties without the written permission of KARRÉ and may only be used as intended. Processing or modification by the supplier will be carried out for KARRÉ. If the material is processed with other objects not belonging to KARRÉ, KARRÉ acquires co-ownership of the new object at the time of processing in proportion of the value of the material provided (purchase price plus VAT) to the other processed objects.

15.2 If material provided by KARRÉ is inseparably mixed with other non-KARRÉ items, KARRÉ will acquire co-ownership of the new item at the time of mixing in proportion to the value of the material provided (purchase price plus VAT) to the other mixed items. If the mixing takes place in such a way that the objects not belonging to KARRÉ are to be considered as the main object, it shall be deemed agreed that the supplier shall transfer pro rata co-ownership to KARRÉ; the supplier retains the sole ownership or co-ownership of KARRÉ.

15.3 KARRÉ reserves the property on tools; the supplier is obliged to use the tools exclusively for the production of goods ordered by KARRÉ. The supplier is obligated to insure the KARRÉ-owned tools at their own expense against fire, water and theft. At the same time, the supplier already assigns all compensation claims from this insurance to KARRÉ; KARRÉ hereby accepts the assignment. The supplier is obliged to carry out any required maintenance and inspection work on KARRÉ's tools as well as all maintenance and repair work at his own expense in good time. Any incidents should be reported to KARRÉ immediately; If he fails to do so culpably, claims for damages remain unaffected.

15.4 If the delivery of the goods requires the manufacture of tools from third parties, the supplier is obliged to obtain KARRÉ's written approval of the company that designs, manufactures, revamps or manufactures the tools before ordering the tools.

15.5 If the manufacturing costs for a tool have been completely covered by KARRÉ, the supplier assigns the tool to KARRÉ at the moment he owns the property. The same applies to ownership-like rights (eg entitlement rights). The supplier stores the tools for KARRÉ as the intermediary. The supplier treats the tools with the necessary care and has the tools properly maintained or replaced with necessary parts at his expense. KARRÉ has the right to inspect the tools at the supplier at the usual times. In the event that KARRÉ demands the tools - for which KARRÉ is entitled at all times - the Supplier has no right of retention of the tools.

15.6 If the manufacturing costs for the tool were partially covered by KARRÉ, the supplier shall transfer the tool to KARRÉ in proportion to which KARRÉ has borne the manufacturing costs. The assignment takes place as soon as the supplier himself receives the property.

15.7 The supplier is liable for the destruction, the loss, the damage to the materials provided by KARRÉ and the tools of KARRÉ. The same applies to their deterioration, as far as this goes beyond the usual wear. It is the supplier's responsibility to prove that the damage is not caused by him.

15.8 The materials provided by KARRÉ or goods made with tools provided by KARRÉ may only be supplied to KARRÉ. As long as KARRÉ agrees to cover the manufacturing costs in regards to tools, the aforementioned condition also applies here.

15.9 The responsibility for compliance with all legal requirements during the operation of the equipment and in connection with the maintenance and care is the sole responsibility of the supplier.

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16. Jurisdiction - Place of Performance - Governing Law

16.1 Place of fulfillment and payment for all obligations arising from the contractual relationship is Munich, unless otherwise specified.

16.2 German law applies exclusively, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

16.3 The sole place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship is the registered office of KARRÉ. However, KARRÉ is also entitled to sue at the supplier's location.

17. Severability clause

Should individual provisions of this agreement be or become null and void, the remaining conditions shall remain valid. The contracting parties shall endeavor to replace an ineffective provision by such an effective provision which comes as close as possible to the economic result in the ineffective provision and which most closely corresponds to the contractual purpose resulting from the present General Terms and Conditions of Purchase. The same applies in case of partial invalidity of regulations and for gaps in the contract.