

Fritzmeier Group General Procurement Terms

I. Scope

(1) The following terms and conditions ("General Procurement Terms") apply to all business relations with business partners and Suppliers ("Supplier") relating to the delivery of movable goods ("Goods" or "Products") and the provision of employment and manufacturing services ("Services") to Georg Fritzmeier GmbH & Co. KG and its affiliate companies ("Fritzmeier"). These General Procurement Terms shall apply irrespectively of whether the Supplier self-supplies or procures at third parties. These General Procurement Terms assume that the Supplier is an entrepreneur as defined under Section 14 of the German Civil Code ("BGB").

(2) These General Procurement Terms apply, as amended, as a framework agreement to all future purchase, delivery or service contracts with the Supplier, even if Fritzmeier fails to reference these when negotiating the future transaction. The most recent version of these General Procurement Terms is available at www.Fritzmeier.de.

(3) Individual contractual arrangements with the Supplier (including collateral agreements, additions and amendments) enjoy priority over these General Procurement Terms. Subject to proof of the contrary, a written agreement or written order confirmation shall be authoritative for the content of such individual arrangement. Any legally relevant declaration or statement of intent of the Supplier pertaining to the contract (e. g. setting of deadlines, notification of defects, cancellation, rescission, price reduction demands) must be submitted in writing or in text form (e. g. letter, e-mail, fax) unless statutory requirements apply a stricter form.

(4) These General Procurement Terms shall form the contractual basis for the entire business relationship between Fritzmeier and the Supplier, and any deviating, contrary or supplementary terms and conditions of the Supplier do not become part of the contract without express consent, even if Fritzmeier chooses to accept deliveries unconditionally despite knowledge such Supplier terms and conditions.

II. Order Mechanism

(1) Any order made by Fritzmeier to the Supplier must be in written or text form. The Supplier shall confirm each order within a period of one week at least in text form or execute it immediately and without reservation. Any change or delay shall be considered a counter-offer which requires acceptance by Fritzmeier at least in text form.

(2) Any offer, design or sample by the Supplier shall be made or provided free of charge for Fritzmeier. At the request of Fritzmeier, the Supplier will take back samples immediately and at its own expense.

III. Delivery time and delay

(1) Any delivery time specified by Fritzmeier in the order shall be binding. In the event it is foreseeable that such delivery time cannot be met, the Supplier shall notify Fritzmeier without delay, at least in writing, stating the reasons and the expected delay. Deliveries ahead of schedule as well as partial deliveries may not be made unless prior consent of Fritzmeier has been obtained.

(2) Should the Supplier fall into arrears, Fritzmeier is entitled to liquidated damages amounting to 0.5% of the net order value per week of delay, but no more than 5% of the net order value. The liquidated damages shall be set off against any other claim for damages Fritzmeier may assert.

(3) Fritzmeier's right to demand delivery shall continue to exist unless the Supplier, at Fritzmeier's request, pays full compensation in lieu of delivery. Acceptance of delayed delivery, even if made without reservation, does not constitute a waiver of any claim for damages or penalty.

IV. Delivery Terms, Transfer of Risk

(1) Unless agreed otherwise individually, all deliveries must be made free of charge to the destination ("Destination") specified in the order (DPP Destination as specified under INCOTERMS 2020).

(2) The Destination shall be deemed both place of performance and fulfilment, and risk shall transfer at the Destination. Where, as the case may be, a formal acceptance requirement has been agreed individually, risk shall transfer upon acceptance.

V. Price, Payment Terms, Transfer of Title

(1) The price stated in Fritzmeier's order is binding. All price quotations are exclusive of statutory sales tax, even if not shown separately. This also applies to additional services that may have to be provided by the Supplier.

(2) Unless expressly agreed otherwise, the price includes all services and ancillary services of the Supplier as well as any ancillary cost (e. g. proper packaging, customs, import duties, transport costs including insurance).

(3) Invoices are to be sent to Fritzmeier, stating the invoice number, order number, quantity, price and any other reference information required for processing the invoice.

(4) Payments shall be made by Fritzmeier in accordance with the individually agreed payment terms, absent which the payment target is 60 days.

Fritzmeier may deduct 3% cash discount in the event of payment within 14 days.

(5) Should Fritzmeier fall into arrears with a payment, no default shall be deemed to have occurred unless Fritzmeier has received a default notice. Should Fritzmeier default with a payment obligation, such payment obligation shall bear interest in the amount of 5% per year above European Central Bank base rate.

(6) The Supplier may not exercise offsetting or retention rights unless his claim has been uncontested or finally adjudicated.

(7) Should the Supplier retain title in the Products delivered to Fritzmeier subject to purchase price payment, such title shall pass, in any event, with purchase price payment for the respective delivery latest. In no event shall transfer of title from Supplier to Fritzmeier be subject to payment for other claims of Supplier, in particular not through an extended or expanded retention of title.

(8) Should Fritzmeier provided the Supplier with any material, it remains the property of Fritzmeier. Any processing, mixing or combination of such material is carried out on behalf of Fritzmeier. In the event the material is mixed, Fritzmeier shall become co-owner of the finished product in the ratio of the value of the supplied material to the value of the finished product.

VI. Quality, performance-related secondary duties

(1) The Supplier shall deliver Goods and Products free of defects of material or of title, and according to the specification in the order. Services shall be provided by the Supplier in accordance with Fritzmeier's statement of requirement. Any Good or Product must comply with all statutory provisions and be state of the art at the time of delivery.

(2) The Supplier guarantees that all delivered Products are free of third party rights. The Supplier shall indemnify and hold Fritzmeier harmless, at first request, from any claim that third parties assert in connection with the Product against Fritzmeier.

(3) Fritzmeier operates a quality management system in accordance with ISO 9001. The Supplier undertakes to secure quality of Products and Services by operating a state-of-the-art quality assurance system which is at least equivalent, and to carry out quality assurance measures as demanded by Fritzmeier or otherwise necessary during and after the production process. The Supplier shall maintain records relating hereto. At Fritzmeier's request, the Supplier shall provide reasonable evidence as to the Supplier's quality assurance system. Fritzmeier may audit the Supplier's quality assurance system and operations both at the Supplier and, as the case may be, at the Supplier's Suppliers. Fritzmeier is entitled to conduct quality audits during the Supplier's usual business hours for quality assurance purposes, or to have such audits conducted by third parties who are not competitors of the Supplier. Fritzmeier may demand the Supplier to enter into a Quality Assurance Agreement based upon the template at www.fritzmeier.de.

(4) In the event the Supplier, his employees or contractors are physically present at a Fritzmeier location, the Supplier shall procure that the house rules and, if applicable, plant regulations of Fritzmeier are maintained at all times. Fritzmeier may make access to factory premises subject to the precondition that the respective persons accept a corresponding agreement.

(5) The Supplier shall take back the packaging material used for delivery of Products. The Supplier shall bear the cost of return shipment. Should the Supplier refuse to take back packaging material, Fritzmeier may send it back or to recycle it, both at the cost and expense of the Supplier.

VII. Defects of material and title

(1) Unless stated otherwise below, the rights of Fritzmeier relating to defects of material and title and other breaches of duty shall be governed by statutory provisions.

(2) The Supplier represents and warrants that the Products delivered meet, upon transfer of risk, the agreed quality and specification, including, without limitation, product descriptions of the Supplier (or specification sheets by Fritzmeier) which have, by reference or quotation in Fritzmeier's order, become part of the contract or included as terms and conditions otherwise.

(3) The commercial inspection and defect notification requirements defined in Section 377 of the Commercial Code ("HGB") shall apply to the delivery of Products as follows: In the event a formal acceptance process has been agreed for a delivery, the Supplier waives any inspection obligation of Fritzmeier. Notwithstanding that, Fritzmeier's obligation to inspect the Products and notify the Supplier of any defect shall be limited to defects that are, upon incoming goods inspection, either apparent and visible or openly recognizable from the shipping documents (e. g. transport damage, obvious cases of wrong delivery or short delivery). Any other defect shall be subject to notification after discovery. In all cases, Fritzmeier's notice shall be deemed as immediate and on time if it is being received by the Supplier within 10 calendar days.

(4) For each legitimate complaint related to a defect and each notification of a defect – under Section 377 HGB or otherwise – Fritzmeier is entitled to an administration and handling fee of 75,00 EUR (net).

(5) In the event the Supplier fails, after expiry of a reasonable deadline set by Fritzmeier, to remedy defects by means of – at the discretion of Fritzmeier –

rectifying the defect (rectification) or delivering a defect-free item (replacement), Fritzmeier shall be entitled to remedy the defect itself or have the defect rectified by a third party, and to demand compensation from the Supplier for any necessary cost and expense. In the event Fritzmeier remedies the defect itself, Fritzmeier may demand, without further evidence, reimbursement of expenses in the amount of EUR 75.00 (net) per man hour. Such demand shall not exclude the assertion of higher damages (in particular where Fritzmeier is obliged to compensate its own customer for the damage or consequential damage caused by the defect). However, the Supplier reserves the right to prove that Fritzmeier has incurred no damage or only minor damage. Should Supplier's attempts to remedy the defect have failed, or should it be unreasonable for Fritzmeier to wait for expiry of such deadline (e. g. because of particular urgency, endangerment of operational safety or imminent occurrence of un-proportional damage), no deadline is required; Fritzmeier shall however inform the Supplier without delay, if possible beforehand, of such circumstance.

(6) In the event the defect is remedied by delivery of a defect-free item, a new warranty period for the replacement product shall commence from the delivery of the replacement product. This does not apply, however, if the Supplier has rightly made a reservation whereby the delivery of the defect-free item constitutes an act of goodwill, aims to avoid a dispute or seeks to encourage continued supply relations.

(7) In the event Fritzmeier's order is based upon a specification or an agreement which Fritzmeier's downstream customer ("Third Party Customer") has directly entered into with the Supplier (triangular trade), Fritzmeier is entitled to assign its warranty claims to the Third Party Customer or demand the Supplier reimburses Fritzmeier for any damage, cost, expense or harm that Fritzmeier may suffer because the delivered Products do not meet the specification agreed between the Supplier and the Third Party Customer.

VIII. Triangular supply, in particular vendor parts

(1) The purchase order submitted by Fritzmeier may refer to a product ("Vendor Part") which is subject to a specification or an agreement which a third party, for example the end customer or system manufacturer ("OEM"), has made directly with the Supplier. As this typically means the price and change sovereignty for the Vendor Part lies with the OEM and not Fritzmeier, the following special provisions shall apply to such Vendor Parts.

(2) The supplier shall inform Fritzmeier immediately, but in any event within three working days, if changes to the specification of the Vendor Part, its price or other delivery conditions are made or agreed between the Supplier and the OEM, or if such agreements cease to apply.

(3) The Supplier shall always supply Fritzmeier with the latest version of the Vendor Part which has been agreed between the Supplier and the OEM, even if the purchase order from Fritzmeier still refers to an older version. If the Supplier agrees with the OEM to make changes to the Vendor Part which result in Fritzmeier no longer being able to use the previous version of the Vendor Part, the Supplier shall take back any existing stock of the previous version Fritzmeier may have, and refund the purchase price.

(4) Any agreement between the OEM and the Supplier pertaining to the Vendor Part or delivery, warranty, non-performance, damages or reimbursement of costs relating thereto also apply for the benefit of Fritzmeier. In particular, the warranty periods agreed between the Supplier and the OEM shall also apply vis-à-vis Fritzmeier, unless a longer period is stipulated in these General Procurement Terms. Furthermore, Fritzmeier may assign its warranty claims against the Supplier to the OEM and demand compensation from the supplier for all damage, expenses and other financial disadvantages suffered by Fritzmeier as a result of a Vendor Part not fulfilling the Supplier's agreement with the OEM.

IX. Recourse claims within supply chains

(1) In the event Fritzmeier is part of a longer supply chain, Fritzmeier reserves the recourse claims of a Seller (Sections 445a, 445b BGB) in parallel to any claim relating to defect of material or title. This applies, without limitation, if the Products have been, prior to being sold onward by Fritzmeier, been processed by Fritzmeier or a third party down the value chain, provided however the Products have not been materially altered (e. g. by being built-in). In the event Fritzmeier is obliged to deliver a defect-free item vis-à-vis its downstream customer, Fritzmeier may demand the same from the Supplier.

(2) Fritzmeier shall inform and request a statement from the Supplier before acknowledging or fulfilling a defect claim raised by a customer (without limitation including reimbursement claims under Sections 478 para. 3, 439 para. 2 BGB). In the event the Supplier does not respond within a reasonable deadline, it shall be presumed that the customer's claim, as fulfilled by Fritzmeier, is justified; the Supplier may, however, provide evidence to the contrary.

X. Product Liability and Insurance Cover

(1) In the event Fritzmeier is subject to a product liability assertion based upon a defect of a Product delivered by the Supplier, the Supplier shall indemnify, reimburse and hold harmless Fritzmeier of any and all cost and expense arising from such assertion. In the event Fritzmeier's liability is subject to willfulness or negligence, the Supplier's obligation to reimburse and hold harmless shall be subject to willfulness or negligence, too. However, in the event the cause of damage roots in the Supplier's responsibility, it is upon the Supplier to demonstrate absence of negligence and willfulness.

(2) Without limitation to the foregoing, the obligation of Supplier to indemnify Fritzmeier includes all costs and expenses arising from or in connection with the product liability assertion. This includes in particular the cost of a recall. Before such recall, Fritzmeier shall inform the Supplier, enable the Supplier to cooperate and discuss an efficient implementation; this does not apply however if information or participation of the Supplier is inappropriate due to special urgency. Without limitation, the Supplier shall also bear the cost of appropriate precautionary measures to protect Fritzmeier against claims arising from non-contractual liability which are due to defects of Products delivered by the Supplier (e. g. cost of communication measures). Further statutory claims remain unaffected.

(3) During its business relation with Fritzmeier, the Supplier shall, at any time, maintain sufficient product insurance cover and provide, upon request, evidence of such insurance.

XI. Customs and Export Control

(1) The Supplier shall inform Fritzmeier in writing, as soon as possible before the delivery date, of any approval requirements for delivery of Products under German, European (EU) or U. S. export, customs and foreign trade law; the same applies to any corresponding requirement from the country of origin of the Products. For this purpose, the Supplier shall promptly provide Fritzmeier with any necessary information and data that is reasonably required for export, import and, as the case may be, re-export of the Goods, in particular correct customs tariff numbers.

(2) In the event of an infringement of the obligations under the previous paragraph, the Supplier shall bear any cost, expense and damage Fritzmeier suffers from such infringement (e. g. additional non-domestic import duties, fines and penalties).

XII. Legal and technical compliance

(1) The Supplier shall comply with any applicable legal and regulatory provision. The Supplier shall comply with all generally accepted rules of engineering (in particular DIN/EN/ISO standards, VDE regulations, VDI guidelines) and applicable provisions on product safety (in particular the product safety code).

(2) The Supplier shall abide by the technical, legal and social principles laid out in Fritzmeier's Code of Conduct for Suppliers, as amended, published at www.fritzmeier.de.

(3) In the event the Supplier is in breach of any provision in this Section, the Supplier shall reimburse Fritzmeier and the customers of Fritzmeier against all costs, claims of third parties (in particular direct or indirect claims for damages) and other disadvantages (e. g. fines) which are based upon the violation of the respective provision. This does not apply if the Supplier is not responsible for this breach of duty. Furthermore, Fritzmeier is entitled, at any time, to cancel the corresponding order immediately and to refuse acceptance of the delivery without incurring any cost. Further statutory damages claims of Fritzmeier remain unaffected. Should Fritzmeier cancel an order or refuse to accept a delivery, such cancellation or refusal shall not be construed or interpreted as waiver of any kind.

XIII. Data Protection

(1) The Supplier shall to observe the applicable data protection law, in particular require employees and other vicarious agents to confidentiality and data protection in accordance with the requirements of the EU General Data Protection Ordinance, and to evidence this to Fritzmeier upon request.

(2) To the extent necessary, the Parties – if necessary with the involvement of their data protection officers – shall jointly examine and determine which data protection regulations are applicable before the commencement of the Services.

(3) The Supplier shall inform Fritzmeier, without request, whether the activities commissioned hereunder involve personal data, and if so what degree of protection such data requires. The Parties will then agree on a contract concerning the processing of such data under Art. 28 GDPR, as far as Fritzmeier considers this necessary. If changed requirements arise subsequently, the Parties will adapt the data processing agreement.

XIV. Confidentiality, Information Security

(1) The Supplier shall use any information and materials received in connection with the business relation envisaged herein only for the fulfilment of his obligations towards Fritzmeier. Furthermore, the Supplier shall keep secret all information that becomes known to him in connection with the business relation envisaged herein, as well as the conclusion of the contract itself, the object and content of the business relation, and shall prevent third parties from gaining knowledge of it and using it. The supplier may only disclose information to persons who are involved in to the business relation to the extent that this is necessary for the execution of their respective role. The Supplier shall ensure compliance with this obligation by its employees and vicarious agents. The obligation to maintain secrecy continues for 3 years after termination of the business relation.

(2) Excluded from the obligation of Secrecy is information which (i) is generally accessible to the public or is made accessible through no fault of the supplier, (ii) is demonstrably in the possession of the Supplier prior to disclosure, (iii) was developed independently by the supplier or (iv) must be disclosed by law or under official or court orders.

(3) At Fritzmeier's request, the supplier shall – unless there are legal storage obligations to the contrary – return or destroy or delete all confidential information and materials, regardless of the form in which they were received, all records or information that was compiled on the basis of the information provided to the supplier, as well as all copies thereof, and to confirm this to Fritzmeier in writing.

(4) Fritzmeier may make access to business premises and access to IT systems subject to further conditions. In particular, Fritzmeier can demand that employees and vicarious agents of the Supplier, who apply for access to Fritzmeier's business premises or an IT account, commit themselves in a suitable manner to confidentiality, and to accept the house rules and plant regulations set forth in Section VI.4 hereto.

(5) Exchange of information: During all conversations about confidential or secret information, including telephone conversations, care must be taken that such information cannot be overheard by unauthorized persons. External e-mail addresses and fax numbers are to be taken from current communication records or requested from the recipient in order to prevent the transmitted data from being misdirected. E-mails from Fritzmeier may not be read on public devices. When reading e-mails, Supplier shall make sure that unauthorized persons cannot read them. Before sending confidential data by fax, the transmission shall be announced by telephone to the communication partner. After transmission, it shall be checked by telephone that the fax was received correctly. The fax confirmation must be taken from the fax machine by the sender after transmission. Care must be taken to ensure that all necessary and appropriate precautions are taken (e.g. encryption) to protect confidential information from being viewed, modified or deleted by unauthorized parties (including family and friends). This concerns the storage, transport and transmission of information.

(6) Photography is prohibited on the premises of Fritzmeier. Fritzmeier IT equipment may not be used by Supplier without express prior permission. Fritzmeier's data network may only be used for relevant business activities.

(7) All media containing information in connection with the business transactions hereunder must be protected against unauthorized access, misuse or falsification during transport, even across organizational boundaries. The Supplier must therefore ensure that all necessary and suitable precautions are taken (e.g. encryption) to protect the information from being viewed, changed or deleted by unauthorized persons (including family and friends) during transport. Data carriers must be transported in a concealed manner. Documents must be transported in a way that protects them from view (e.g. in a non-transparent folder). Laptops and tablets must be transported in such a way that they are not visible from the outside. When using laptops and tablets in public, care must be taken to ensure that third parties cannot read the screen or spy on the entry of secret authentication information.

(8) When using the Internet within the scope of the business transactions hereunder, the Supplier may not violate legal prohibitions, morality or the rights of third parties. Serious infringements constitute an important reason for extraordinary termination by Fritzmeier, subject to further rights (e.g. damages). This also applies if the Supplier is responsible for continued receipt of so-called spam mails, viruses, Trojans or the like on Fritzmeier's servers, or for unauthorized transmission of Fritzmeier personal data (e-mail address, connection data etc.) to third parties, in particular for advertising purposes.

(9) Serious information security incidents (e.g. security gaps, data loss, malfunctions, threats, contamination by damaging software, data misuse) that could affect Fritzmeier (in particular in the form of unauthorized access by third parties to data of Fritzmeier, e.g. data leakage or cyber-attack) must be reported by the Supplier to Fritzmeier immediately. The same applies in case of a reasoned suspicion of a serious information security event or a loss of confidential or secret information.

(10) Depending on the type and protection requirements of the data concerned or the importance of the supplier for Fritzmeier's business operations, Fritzmeier may demand from the Supplier, in addition to the above, an appropriate level of security measures as well as proof of an appropriate level of information security in the Supplier's operations, in particular by presenting suitable certificates (e.g. ISO/IEC 27001) or a test according to the VDA model TISAX (Trusted Information Security Assessment Exchange). The Parties may agree on a reasonable period of time for the initial audit of a site according to TISAX. The Supplier must tolerate all actions of Fritzmeier aimed to confirm compliance with the agreed information security, data protection and security guidelines (hereinafter referred to as "Audits"), and provide cooperation services, such as information, insofar as this is necessary for an Audit. Fritzmeier may have the Audits carried out by an external, qualified company which is obliged to maintain secrecy towards third parties, as long as it is not a competitor to the Supplier. Fritzmeier's legal rights of control and information are neither restricted nor excluded by this. To the extent no audit report is available, Fritzmeier may demand an Audit even without an incident/ suspicion of an incident.

(11) Any technical documentation, documents, drawings, diagrams, graphics, photographs, layouts, templates and other documentation produced by the Supplier during relationship with Fritzmeier – irrespective whether on magnetic or electronic media, in printed form or as a material for prepress or printing – as well as samples, tooling, materials and auxiliaries (hereinafter: "Works") shall be kept confidential from third parties. Upon fulfillment of the order, all Works shall become the property of Fritzmeier. To the extent permitted by law, Fritzmeier shall obtain all rights of ownership, use and exploitation of all aforementioned Works. The Parties agree that the purchase price for

Products includes an appropriate consideration for the transfer of rights herein, and no further remuneration shall be paid.

XV. Software, Source Code

(1) As regards software delivered or components of software adapted by Supplier, the Supplier shall provide Fritzmeier with documentation and the source code, including subsequent changes. This includes professional commenting of the source code and the description of the necessary system parameters as well as other necessary information, which enable Fritzmeier to work on the source code with qualified personnel in order to carry out an independent further development of the software. If through separate contract an escrow arrangement is agreed instead of the transfer of the source code, Fritzmeier hereby acquires an unconditional claim for surrender against the escrow agent. Measures carried out in the context of the elimination of defects in the programs must be included by the Supplier in the source code and the documentation without delay; a copy of the respective updated status must be sent to Fritzmeier without delay.

(2) The Supplier undertakes to design source code in such a way that it corresponds to the state of the art and to Fritzmeier's specifications to achieve the protection goals of confidentiality, integrity and availability.

(3) Compliance with the protection goals of confidentiality, integrity and availability must be ensured not only during the creation but also when handling the source code. This includes, among others: (i) Access regulation: only authorized persons may modify source code; (ii) compliance with change management rules, i.e. changes to the source code follow a defined modification process; (iii) Secure systems: systems which store or process the program code must be reviewed for security flaws; (iv) separation of development, test and production environments.

XVI. Choice of Law; Forum

(1) These General Procurement Terms shall be construed and interpreted under the laws of the Federal Republic of Germany, without recourse to the UN sales convention.

(2) Any dispute arising from or in relation to the contractual relation shall be heard in front of the courts of Munich, Germany.

(3) In the event of a discrepancy of the German and the English version of these General Procurement Terms, the German version shall prevail.