

General Purchasing Conditions (available at www.german.pantel.world/agb/Einkaufsbedingungen)

Status March 2019

1. Validity, Contractual Foundations and Formal Requirements

- 1.1 Unless otherwise agreed, these General Purchasing Conditions shall apply for all business relationships between us, Pantel-Elektronik AG, and our Suppliers. Our General Purchasing Conditions apply exclusively. We do not recognise other terms and conditions stipulated by the Supplier unless we have agreed to their validity in writing. Without written acknowledgement, we shall not be bound by these, even if we do not expressly contradict them. The same shall apply if we partially or wholly accept ordered goods or if payment is made. These purchasing conditions shall also apply to any future business relationships with the Supplier, even if they are not expressly re-stated.
- 1.2 The General Purchasing Conditions only apply to companies as defined according to paragraph 310 (1) of the German Civil Code.
- 1.3 Our legal relationship with the Supplier shall be governed exclusively by the purchasing contract, in written or text form, including these purchasing conditions. Any alterations or amendments to the contract must be made in written or text form for evidentiary purposes. This fully reflects all agreements between the contracting parties regarding the subject matter of the contract. Verbal arrangements made prior to the signing of this contract shall be replaced by the contract in written or text form, unless it is expressly stated therein that they will continue to be binding. Legally relevant declarations and notifications, required from the supplier after the contract has been signed, will only be valid if made in written or text form.

2. Orders

- 2.1 Orders and modifications thereof shall only be valid if they are issued or confirmed by us in written or text form.
- 2.2 Orders/modifications must be confirmed in written or text form by the Supplier without delay. If we receive no formal written confirmation within 14 days of receipt of the order/modification, we will no longer be bound by the order/modification, and the Supplier will be unable to assert any claims from this.
- 2.3 The Supplier is only authorised to sub-contract with our consent.
- 2.4 Supplied products will be ordered in accordance with the Supplier's range of products or according to our specifications. The Supplier is required to verify that the specification is available as ordered and, if necessary, to request this. Furthermore, the Supplier shall verify that the materials ordered meet the requirements of their intended purpose. The Supplier shall inform us immediately if there are concerns as to the suitability of the ordered materials.
- 2.5 When making use of subcontractors, the supplier is obliged to notify both their own, as well as the requirements of Pantel Elektronik AG, to its suppliers.

3. Delivery, Delivery Times and Delays in Delivery

- 3.1 Unless otherwise agreed, delivery will be DDP (Incoterms 2010) to the address specified in the order (intended destination). If no intended destination is given, the intended destination shall be our registered office in Erlangen.
- 3.2 Deliveries shall be made on the agreed delivery date or in accordance with our delivery instructions. Agreed delivery dates represent a binding completion date.
- 3.3 Dimensions, quantities and quality shall be determined according to our incoming goods inspection and quality control.
- 3.4 The Supplier is not entitled to make excess or short deliveries. Should a delivery schedule exist, we are only obliged to accept the quantities bindingly specified in the schedule. Partial deliveries are only permitted with our prior consent. Non-compliant deliveries will be returned at the Supplier's expense or at a flat rate of €50 to cover inspection and management fees. Further legal claims remain unaffected.
- 3.5 We shall be entitled to return deliveries made prior to the agreed date at the Supplier's risk and expense or to store the delivery at the Supplier's expense at our premises or at the premises of a third-party provider until the agreed delivery date.
- 3.6 The Supplier shall be obliged to inform us immediately in writing if circumstances arise or if it becomes apparent to the Supplier that it will not be possible to meet the agreed delivery date.
- 3.7 Should the Supplier not meet the delivery date or the dates in the delivery schedule, we shall be entitled to the statutory claims for the delayed delivery; in particular, we shall be entitled to claim compensation in place of delivery or to terminate the delivery after the expiration of a reasonable deadline – insofar as a deadline is prescribed by law.
- 3.8 Strikes, lockouts, operational disruptions, operational restrictions and similar occurrences at our company or at our customers' companies, which result in reduced consumption, shall be considered to be cases of force majeure and shall release us from the obligation to accept deliveries for the duration of the disruption and for the scope of its effect.
- 3.9 We monitor the performance of all suppliers. The following performance factors are considered: quality, delivery date and quantity of delivered items. On-time performance is assessed negatively both for parts delivered late as well as early. The evaluation always takes place against the date confirmed by the supplier. A negative performance rating may lead to the termination of the contract. Further information about the evaluation can be requested from your contact person.

4. Packaging

- 4.1 Ordered goods shall be delivered either in standard packaging or in special packaging according to our instructions. The Supplier shall observe the specifications of the respective transport, freight and shipping agencies. The Supplier shall be liable for damages due to defective packaging.
- 4.2 Costs for packaging, storage costs and all secondary shipping expenses will be borne by the Supplier. This also applies to surcharges incurred for expedited delivery due to circumstances for which the Supplier is accountable.
- 4.3 Empty containers and packaging materials will be returned at the Supplier's expense.

5. Modifications to Specifications

The Supplier is obliged to inform us in writing immediately of any modifications to the specifications of items ordered during the contractual relationship. This information must be sent to the email address pcn@pantel.de. In the case of significant modifications, which conflict with the intended use of the goods – provided that the specification does not involve guaranteed quality – we shall be entitled to terminate the contract or, in the case of partially rendered services, to partially withdraw from the contract. Further legal claims remain unaffected.

6. Quality, Authorisation and Reporting Requirements, Quality Management Systems, Examination Rights, Quality Inspections and Compliance with Standards

- 6.1 Ordered goods must comply with the current standards set out in the national and international statutory provisions, accident prevention regulations, applicable ordinances, in particular the REACH regulation, and directives, in particular the RoHS directive, the regulations set out by the Association of German Electrical Engineers and the accepted rules of engineering, as well as contractual documents such as drawings, descriptions, samples, specifications, acceptance conditions etc. The Supplier is obliged to inform us immediately in writing should the situation arise or should it become apparent that goods to be supplied do not meet the above regulations. We expect the Supplier to alert us to any possible improvements or technical changes to the ordered product. However, any changes to the delivery items shall only be made with our prior consent.
- 6.2 We fundamentally refuse to accept any delivery of substances which do not comply with REACH regulations. The Supplier shall immediately inform us prior to conclusion of the contract if the requested item contains REACH substances. Should we become aware of the presence of REACH substances in ordered items, without fault on our part, we shall be entitled to withdraw from the contract.
- 6.3 The Supplier is obliged to provide written details of the necessary regulatory permits and notification requirements for the import and use of the delivery items in the European Union and in the countries in which we have announced our intention to deploy the delivery.
- 6.4 The Supplier shall set up and provide evidence of a quality management system in accordance with a recognised standard (e.g. DIN EN ISO 9001:2015). The Supplier shall inform us immediately should it no longer comply with a recognised quality management system or should it lose its certification for the quality management system.
- 6.5 We shall be entitled to confirm the effectiveness of the quality management system and of the specific quality assurance measures carried out by the Supplier by means of inspections at the Supplier's premises. After receiving prior and reasonable notice, the Supplier shall grant access to its operating and production facilities during normal operating hours if an inspection of the existence and operation of the Supplier's quality assurance system is considered necessary. We shall also be entitled to gain access to documentation pertaining to the Supplier's quality assurance. We will inform the Supplier of the results of the examination.
In the course of the examination, we will take into account any necessary and reasonable restrictions to ensure the Supplier's trade secrets. The Supplier shall make qualified staff and infrastructure available to support our examination. On the basis of a mutually accepted examination report, the Supplier shall undertake to create a plan of action for any necessary corrective measures, to implemented it in due time and to inform us about it.
The preceding rights of inspection do not absolve the Supplier of its responsibility for the quality of the goods it delivers.
- 6.6 Our customers and their direct and indirect customers whose products are obtained from the supplier, including those which are installed in another product or further processed, are entitled:
 - to inspect the Supplier's products, production facilities and quality assurance measures at irregular intervals with prior notice, and to inspect the relevant documentation. In doing this, our customers will comply with the Supplier's normal working hours.
 - to gain admission to all production facilities which are involved in the production and/or quality control of products which are manufactured for our customers.

The Supplier shall make the necessary qualified staff and infrastructure available to our customers during these inspections.

- 6.7 Authorities and those bodies acting on their behalf have the rights of examination, inspection and control at the premises of the Supplier in accordance with their public law powers.
- 6.8 The Supplier shall carry out a quality control which is suitable in terms of type and scope and in accordance with the latest requirements. This includes the control of its suppliers to ensure that our requirements and those of our customers are met.
- 6.9 If initial or type samples are requested by us, the supplier shall not commence serial production without receiving our express approval in written or text form.
- 6.10 We expect our suppliers to ensure that everyone is aware of their contribution to product or service compliance as well as product safety. We also expect them to fulfill social responsibility and to communicate the importance of ethical behaviors to their employees. The Supplier shall ensure its compliance with the EICC "Electronic Industry Code of Conduct", which can be found and downloaded from the EICC website at: www.eiccoalition.org.
- 6.11 The supplier maintains a procedure for the prevention of counterfeit parts. The supplier must prevent the use or delivery of fake/counterfeit parts. Upon request, the supplier must be able to provide evidence of the origin of the goods.

7. Prices and Payment

- 7.1 The prices specified in the order are fixed prices and include delivery according to paragraph 3.1.
- 7.2 Payment will be made upon completion of delivery according to paragraph 3.1 and, upon receipt of a correct and verifiable invoice, with 3% discount within 14 days or within 30 days net. Deliveries which arrive and are accepted prior to the agreed date will not count as delivered until the agreed delivery date.

8. Offsetting, Rights of Retention and Assignment Prohibition with regard to the Supplier

- 8.1 Any offsetting or rights of retention, as well as the defence of non-performance shall be available to us to the extent allowed by law. We shall be entitled in particular to retain due payments as long as we are able to assert claims for incomplete or deficient performance.
- 8.2 The Supplier can only offset against undisputed claims or claims determined to be legally binding, and claim a right of retention only in the case of indisputable or legally established claims, solely within the respective contractual relationship.
- 8.3 The Supplier shall not be entitled to assign his receivables to third parties or to have such receivables collected by third parties without our prior written consent. This is not valid if it applies to outstanding accounts.

9. Warranty

- 9.1 In the case of defective delivery, warranty claims are subject to statutory regulation, unless otherwise subsequently agreed.
- 9.2 We shall inspect the product for possible defects within a reasonable time. Unless specific circumstances necessitate a longer time period, notification of defects is deemed timely if received by the Supplier within five working days of receipt of the goods or, in the case of hidden defects, from the time of their discovery.
- 9.3 If the Supplier fails to meet its obligation to carry out subsequent fulfilment – either by remedying the defect (subsequent improvement) or by supplying an item which is free from defects (replacement), as decided by us – within a reasonable period determined by us – where necessary according to applicable statutory regulations, we can remedy the defect ourselves, in addition to statutory warranty rights, and request compensation from the Supplier for the resulting expenses. No deadline needs to be set if the subsequent fulfilment by the Supplier is unsuccessful or unacceptable (e.g. due to particular urgency, risk to operational safety or the imminent likelihood of disproportionate damages); we will inform the Supplier of such circumstances without delay, as far as possible in advance.
- 9.4 If the delivery consists of similar items and more than 10% of the delivered goods are faulty, we are entitled to assert a warranty claim for the entire delivery – without further inspection obligation.
- 9.5 Costs incurred by the Supplier for the examination and subsequent fulfilment shall be borne by the Supplier, even if it transpires that there was in fact no defect. Compensation liability in the case of an unjustified request for the rectification of a defect remains unaffected; in this respect, we only accept liability if we recognised or were grossly negligent in failing to recognise that there was no defect.
- 9.6 Unless the law provides for longer periods, the guarantee period is 24 months from delivery to the place of fulfilment. The provisions of Section 479 of the German Civil Code remain unaffected.
- 9.7 We are also entitled to claims for supplier recourse according to sections 478 and 479 of the German Civil Code if the goods are further processed by us or one of our customers (e.g. incorporated into another product) before being sold to a consumer.

10. Product Liability

- 10.1 If the supplier is responsible for a product defect, we shall be exempt from third-party claims for damages at the first request, to the extent that the cause is located within the Supplier's sphere of authority and organisational area, and the Supplier is individually liable to third parties.
- 10.2 Within the framework of its liability for claims in accordance with clause 10.1, the Supplier is obliged to reimburse all expenditure arising from or in connection with a recall initiated by us, in accordance with sections 683 and 670, as well as sections 830, 840 and 426 of the German Civil Code. We shall inform the Supplier of the content and extent of the product recall as far as is possible and reasonable, and give it the opportunity to comment. Further legal claims remain unaffected.
- 10.3 The Supplier is obliged to take out an appropriate insurance policy to cover its liability risks at its own expense. Upon request, the Supplier shall provide us with a copy of the liability policy at any time. If we are entitled to further damage compensation claims, these shall remain unaffected.

11. Cancellation and Withdrawal

As well as the statutory withdrawal and cancellation rights, we can cancel or, in the case of partly rendered services, partially withdraw, with sufficient reason. Good cause shall be deemed to exist, in particular in the case of a significant worsening of the economic circumstances of the Supplier, or if it threatens to be the case, as a result of which the fulfilment of the Supplier's obligations to us is jeopardised, if the Supplier files for insolvency or if insolvency proceedings are opened, if the Supplier cannot provide evidence of a quality management system in accordance with a recognised standard (e.g. DIN EN ISO 9001:2015) according to paragraph 6.4, or loses its certification for such a quality management system, or if the Supplier does not comply with the EICC code of practice according to paragraph 6.10.

12. Provision

Any substances or components provided by us remain our property. They may only be used according to contract. Processing or re-configuring of materials and assembly of parts shall be undertaken on our behalf. It is understood that we are co-owners of all items produced using our materials and components in proportion to the value of the materials provided to the value of the product as a whole, which are stored by the Supplier on our behalf at no charge.

13. Reservation of Ownership

- 13.1 Reservation of ownership by the Supplier for delivered products is excluded. This does not apply for simple reservation of ownership, in so far as the Supplier is dependent on securing credit on goods, the reservation of ownership refers to the respective payment obligation for the reserved goods and does not refer in our dealings with those aimed at mass turnover and are processed as cash transactions between the Supplier and us.
- 13.2 If we have to make a down payment when ordering new delivery items, the Supplier shall grant us right of ownership to the value of the down payment on the delivery items in the production process.

14. Third Party Property Rights

- 14.1 The Supplier shall ensure, especially with regard to delivery, that all delivery items are free from third party rights or that it holds all necessary rights and that he is able to grant the necessary rights, and that there is no violation of technical or commercial property rights and protective rights for patents, registered designs, design patents and design rights, trademarks, hallmarks, copyrights, personal rights or any other third-party rights within the countries of the European Union, in other countries in which the Supplier manufactures its products or arranges for the products to be manufactured and in countries of which we have been notified. If a third party asserts a claim against us due to infringement of property rights or infringement of rights in connection with the production, assembly or use of the delivery items, the Supplier is obliged to exempt us from these claims upon the first written request; the Supplier will immediately and at our discretion either acquire licenses from the appropriate authority with the authorisation to issue sub-licenses and to grant us appropriate rights of use, or to immediately give us the relevant rights for the relationship between third parties and us, or to partly or wholly change or exchange the delivery items so that they are free from third party rights. Exemption from liability shall not apply if we ourselves are responsible for causing of the specific property right infringement.
- 14.2 If a claim is made against us on the grounds of property right infringement, the Supplier shall reimburse all expenses incurred from a possible infringement of rights. This also includes all costs incurred for appropriate legal advice and representation. This is subject to the condition that we inform the Supplier without delay about all claims from third parties and that we make available all documents requested from the Supplier, such as claim letters and court rulings.
- 14.3 At our request, the Supplier shall inform us of all property rights and patent applications known to the Supplier, or of which the Supplier becomes aware, which are used by the Supplier in connection with the delivery items. The Supplier must inform us immediately and without having to be asked if it determines that there could be an infringement to property rights in connection with the production of goods.
- 14.4 Our further legal claims due to the defective title of products delivered to us remain unaffected.

15. Production Materials and Documents

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- 15.1 All production materials, such as tools, drawings and documents which we have made available to the Supplier, or which the Supplier has manufactured for us according to our specifications and for which we are invoiced separately, shall remain our property and shall be returned to us upon request. These production materials shall be used exclusively for the goods ordered by us and shall not be duplicated, sold, transferred as a security, pledged or forwarded in any other way or applied in any other way for third parties without our written consent. The same shall apply for goods produced using these production materials.
 - 15.2 The Supplier shall keep all production materials produced or procured by the Supplier for replacement purposes for a period of 10 years from the time of the last serial production. At our request, the Supplier shall deliver to us all items produced using these production materials.
 - 15.3 We reserve the property rights and copyright of all images, designs, calculations and other documents provided by us to the Supplier. Without our explicit consent, the Supplier may not make these available to third parties or duplicate them, or use them for their own purposes, or for third parties for purposes other than the production of our order. Upon request, the Supplier shall immediately return these to us and destroy any duplicates made by the Supplier. The only exceptions shall be for storage pursuant to statutory storage obligations and for the purpose of verification of the content and course of the contractual relationship between the parties.
- 16. Prohibited Delivery**
The delivery of all products containing cadmium, asbestos and formaldehyde is strictly prohibited! Various filling materials may only be made of recyclable materials. When accepting/carrying out our orders, the Supplier guarantees its compliance with these provisions, even without additional confirmation.
- 17. Binding Nature of the Contract, Choice of Law, Place of Performance and Place of Jurisdiction**
- 17.1 In the event that individual provisions of the agreement are legally invalid, the remaining provisions shall remain in force. This shall not apply if adherence to the contract constitutes unreasonable hardship for one party.
 - 17.2 This contract, as well as all legal relationships in connection with this contract – insofar as is permitted by law – are subject exclusively to German law, with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and conflict of laws provisions.
 - 17.3 Place of performance for delivery obligations and subsequent fulfilment shall be the agreed point of destination, for all remaining obligations for both parties it shall be Erlangen.
 - 17.4 Erlangen shall be the place of jurisdiction. However, we shall be entitled to apply to the court responsible for the Supplier's place of business.