

Conditions of Purchase

of METZ CONNECT TECH GmbH | Ottilienweg 9 | 78176 Blumberg | Germany,
of Albert Metz GmbH & Co. KG | Ottilienweg 9 | 78176 Blumberg | Germany,
and METZ CONNECT GmbH | Im Tal 2 | 78176 Blumberg | Germany

I. Exclusive applicability

These Conditions of Purchase apply exclusively for all orders / purchases and other orders with our suppliers, insofar as these are entrepreneurs (pursuant to § 14 BGB). We do not accept the supplier's general terms and conditions, e.g. terms and conditions of sale, delivery and payment, unless we have expressly agreed to their validity. Our Conditions of Purchase shall also apply exclusively if we accept deliveries from the supplier in the knowledge that the supplier's General Terms and Conditions of Business conflict with or deviate from our Conditions of Purchase.

II. Orders, delivery call-offs

- All orders (e.g. orders, offers, declarations of acceptance, order confirmations, commercial letters of confirmation) as well as delivery call-offs and their amendments or supplements must be issued explicitly. If they are issued verbally, our confirmation in text form (reservation of confirmation) is required for their effectiveness, unless they are issued by our legal representatives, authorised signatories or authorized agents.
- If the supplier does not accept an order within five working days (Saturday is not considered a working day), we are entitled to cancel the order. In the case of existing orders, delivery call-off dates shall become binding at the latest if the supplier does not expressly issue an objection within five working days of receipt.

III. Requirements for the delivery item, supplier as vicarious agent, prices

- The supplier undertakes to manufacture the goods delivered by him in compliance with the generally accepted rules of technology and all applicable technical standards.
- The material used by the supplier, and the delivered goods must comply with our technical specifications. The supplier must inform us immediately, as far as possible, of any concerns of the supplier against the technical specifications specified by us before the goods are manufactured, with a specification of the reasons.
- All deliveries must be conducted in batches and marked separately (traceability).
- The supplier guarantees that the delivered goods comply with all environmental, safety and other regulations applicable at the place of performance, even if the place of performance deviates from Blumberg's place of performance specified in Section 5.2 (named place of receipt) in individual cases. In particular, the supplier guarantees that the delivered goods comply with all statutory safety regulations for substances requiring approval, toxic or otherwise hazardous substances at the place of performance or at the receiving point specified by us.
- The supplier must ensure that the material properties of all deliveries comply with all German regulations and the regulations of the European Union. In particular, the supplier shall ensure a compliance with the European provisions on the restrictions regarding the use of certain hazardous substances in electrical and electronic equipment, Directive 2011/65 EU („RoHS Directive“), the prohibition and restriction regarding the market introduction of hazardous substances, preparations and products, including a compliance with Directive 2012/19 EU on old/waste electrical and electronic equipment („WEEE Directive“) and future respectively applicable standards or the guidelines to replace them. If the supplier uses hazardous substances, he is obliged to provide us with the respective information. „Dangerous substances“ are substances that are hazardous to health, the environment or water. We are entitled to prohibit the use of hazardous substances. During soldering processes, the supplier guarantees a lead-free processing. Furthermore, the supplier must ensure that all deliveries comply with REACH, i.e. in accordance with Regulation (EC) No. 1907/2006 and it's currently applicable version. He is obliged to provide the necessary safety data sheets. It is the supplier's responsibility to fulfil any registration obligations, and to ensure that the goods are allowed to be sold at the place of performance or at the place of receipt designated by us. If necessary, the supplier must appoint an exclusive representative within the European Community or the European Economic Area who must fulfil the REACH obligations for importers. In deviation from Art. 31 lit. b) and c) CISG, the supplier is therefore responsible for importing the goods into the European Community or the European Economic Area. Finally, the supplier must ensure that no conflict materials („3TG“ minerals) pursuant to Sec. 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act are used.
- In the event that the delivered goods do not conform to WEEE, REACH or violate national law or other European Union law, the supplier shall indemnify us against all claims for damages by third parties and sanctions (any fines) from regulatory bodies.
- The supplier is aware that the goods delivered by him will be processed by us and sold to our customers or to customers of METZ CONNECT GmbH (METZ CONNECT), which is affiliated with us under corporate law. In the course of the product manufacturing, the supplier must therefore also meet all the specifications of our customer or respectively those of the customer METZ CONNECT, which we will communicate to the supplier. The supplier thus acknowledges that he is our vicarious agent (§ 278 BGB) and METZ CONNECT in relation to their customers. If the supplier in turn uses third parties throughout the course of the fulfillment of his obligations towards us and/or METZ CONNECT, he will ensure that they recognise their vicarious agents towards the supplier in relation to MCT or METZ CONNECT.
- If the prices are fixed between us and the supplier according to a price list, these prices shall be valid until an agreement to change them has been established.

IV. Change in performance

We reserve the right to determine changes or additions to the order, plans or specifications, provided that these changes or additions do not lead to changes in the delivery time or essential characteristics of the goods, and that the supplier's plant is prepared for such service changes. We shall bear any additional costs incurred by the supplier. If the price bases change, a new price must be agreed taking into account the additional or reduced costs.

V. Delivery, Place of Performance, Contractual Penalty for Delay in Delivery, Default in Acceptance

- We are not obliged to accept partial deliveries.
- The place of performance is Blumberg, or the place of receipt we designate. Unless otherwise agreed, delivery shall be made at the expense and risk of the supplier „duty paid Blumberg or the receiving point we designated“, DDP (INCOTERMS 2010).
- Calculated from the day of the agreed delivery date, we shall be entitled to a call-off period of six weeks, during which the supplier shall keep the uncalled goods in stock, at his discretion and at a reasonable cost.
- If there are delays in delivery, the supplier must inform us immediately, stating the reasons and the expected delay period. Our rights arising from delay in delivery remain unaffected.
- In cases of force majeure, the acceptance of the delivery or service may be postponed for up to two months. In this case, no compensation shall be owed, nor shall storage costs arise. If it is unreasonable for us or the supplier to adhere to the contract, both parties are entitled to withdraw from the contract earlier. Force majeure is an external event caused by elementary forces of nature or by actions of third parties, which is unforeseeable according to human insight and experience, and cannot be prevented or rendered harmless by economically acceptable means by the utmost care reasonably expected under the circumstances and cannot be accepted due to its frequency. This also includes operational disruptions through no fault of our own, such as strikes, lock-outs and delays with regard to any supplies not caused by us.

- The supplier must carefully pack the goods at his own expense. If the supplier takes back the packaging, it is a collectable debt.
- Irrespective of other claims, we are entitled to demand a contractual penalty in the event of the supplier's delay in delivery. The contractual penalty amounts to 0.5 percent of the net order value, but not more than 10% of the net order value. Claims for damages shall be set off against the contractual penalty.
- Notwithstanding a reminder, we shall not be in default of acceptance until 30 days after the due date and receipt of an invoice, or an equivalent request for payment at the earliest.
- If we are in default of acceptance, any claim for compensation to which the supplier is entitled shall be limited to a maximum of 0.5% of the net order amount per completed calendar week, but to a maximum of 10% of the net order amount, unless the delay is due to intent or gross negligence.

VI. Quality Assurance

- The supplier undertakes to manufacture the goods ordered by us in accordance with the rules of the EN ISO 9001-2015 quality assurance system and to inspect them prior to delivery. This also applies if the supplier does not yet have a certificate according to this quality management standard.
- The supplier undertakes to subject the goods to an outgoing goods inspection, and to document the inspection before delivery in accordance with the testing measures specified by us. In case there are no specifications on our part, the supplier is nevertheless obliged to carry out an outgoing goods inspection to ensure the delivery quality and to document this as well. Upon our request, the supplier shall grant us unrestricted access to the documentation.
We are entitled to check the compliance with the quality assurance system at the supplier's premises, or by experts obliged to maintain secrecy after a timely notification.

VII. Incoming goods inspection, warranty, liability, work regulations

- The obligation to check incoming goods only begins when the goods have been received by us, or the receiving point designated by us with a delivery note or packing slip. We shall only inspect incoming goods with regard to externally visible damage to the goods, and externally visible deviations in identity and defects. Such defects must be notified by us within 10 days, calculated from the day following receipt of the goods in accordance with sentence 1. We must provide notice of hidden defects within 10 days as soon as they are discovered within the ordinary course of business (in particular during further processing or commissioning).
In this respect, the supplier waives the right of objection for a delayed notification of defects with regard to open and concealed defects.
- Insofar as we are entitled to demand subsequent performance due to defects, we have the choice between rectification of defects or replacement delivery. The supplier is entitled to remedy the defect twice at the most. The costs of subsequent performance to be borne by the supplier particularly include transport, travel, labour, material costs as well as dismantling and installation costs (necessary expenses).
The supplier is also obliged to bear the expenses necessary for the purpose of subsequent performance if these increase due to the goods being delivered to a location other than the place of performance pursuant to number
- The supplier must fully indemnify us against claims of third parties in the event of damage caused by defects or consequential damage caused by him, in particular also against claims arising from product liability, including the costs of a recall campaign, and proportionately in the event a joint indebtedness has been established with us. The indemnification obligation shall also apply if the supplier has taken over a guarantee.
- Our warranty claims become statute-barred after three years. The limitation period begins with the delivery of the goods at the Blumberg plant, or at the receiving point named by us. §445 b sec. 2 BGB shall remain unaffected.
The notice of defects shall suspend the limitation period for warranty claims, unless the supplier refuses to negotiate the claim immediately after the notice of defects.
- Employees or vicarious agents of the supplier who are on our premises to fulfil the delivery/service obligations are subject to the work regulations or operating instructions responsible for the relevant area, which are made available for inspection on request.

VIII. Supply

- In the event that we provide the supplier with parts throughout the goods manufacturing process, we shall acquire co-ownership of the goods manufactured by the supplier in the ratio of the value of the parts provided by us to the value of the goods manufactured by the supplier through processing.
- Tools provided by us to the supplier for the manufacture of the goods, or tools which are manufactured for us by the supplier, remain our property - the latter, insofar as we have paid for them - and are properly maintained, otherwise serviced and carefully stored for us by the supplier. Tools shall not become the property of the supplier even if the supplier has contributed to the costs or the amortization for the tools.
- The parts and tools provided pursuant to No. 8.1 and No. 8.2 may only be used by the supplier for the manufacturing of the goods we have ordered from him.
- Drawings, samples, designs provided by us to the supplier or other documents, in whatever form, shall remain our exclusive property. These drawings, samples, designs and documents may only be used to fulfil the supplier's contractual obligations towards us. The supplier is not entitled to reproduce the documents for purposes other than the fulfilment of the supplier's contractual obligations towards us and to transfer the documents to third parties.

IX. Reservation of proprietary rights

We acknowledge the simple retention of title of the supplier. Ownership of the goods delivered to us shall pass to us upon full payment. Any extended retention of title on the part of the supplier is excluded.

X. Limitation of offsetting, a right of retention

- The supplier may only offset against claims recognized by us, or those which are undisputed or legally established.
- The supplier shall only be entitled to a right of retention in the case of claims recognised by us, or those which are undisputed or legally established. The same applies to the complaint for a non-performance of contract.

XI. Place of Jurisdiction, Applicable Law

- Place of jurisdiction is Blumberg (Germany). However, we are also entitled to appeal to the court responsible for the registered office of the supplier.
- The legal relationships of the parties are exclusively subject to the substantive law and procedural law of the Federal Republic of Germany, including the United Nations Convention on Contracts for the International Sale of Goods (CISG). The latter, insofar as cross-border services (deliveries from abroad to Germany or to a place of receipt designated by us outside Germany) are performed.