

Conditions of Purchase

LAPP Holding SE and all German affiliated companies within the meaning of Sec. 15 et seqq. German Stock Corporation Act [Aktiengesetz, AktG].
Version: 01/08/2023

Our orders and transactions with contractors are subject exclusively to the Conditions of Purchase below.

Differing conditions of sale on the part of the supplier will be accepted only if we have confirmed them in writing as a supplement to our Conditions of Purchase. Without this acceptance, they are not binding for us even if we do not expressly reject them. The same applies if we accept ordered goods or effect payment, either in whole or in part. Upon the first delivery under these Conditions of Purchase, the supplier recognises them as being exclusively legally binding in the applicable version for all further supply relationships.

1. Conclusion and amendments to the contract

1.1. Orders or changes to orders are valid only if we submit or confirm them in text form and they are signed by two authorised signatories, unless the order is made via our electronic ordering system. They become binding unless the recipient rejects them within two working days. Verbal agreements are valid only if they are confirmed by us in writing.

1.2. The supplier must confirm the order/change in writing without undue delay. If we do not receive a proper confirmation within five working days – calculated from the date on which the order/change was received – we may cancel the order without the supplier being able to derive any claims therefrom.

1.3. For any orders that have not yet been fully completed, we may request changes at any time with regard to the design, delivery and delivery time.

1.4. The supplier may place subcontracts only with our consent.

1.5. If the supplier suspends payments, asks its creditors to settle out of court, or if insolvency proceedings are instituted against its assets, we may – without prejudice to any other rights – withdraw from the contract. In the event of an out-of-court settlement, this withdrawal will be after agreeing an appropriate period for performance.

2. Delivery and acceptance

2.1. Deliveries must correspond to our order and to our delivery programme in terms of execution, quantity and classification and must be made on schedule.

2.2. Agreed delivery dates are binding. If they are not complied with due to reasons for which the supplier is responsible, we may enforce our legal claims.

At our request, the supplier must also hand over the production materials specially required for the outstanding delivery and, if they do not belong to us, assign them to us in return for payment at their current value. The exercise of a right of retention is excluded unless the supplier's claim is undisputed by us or has been legally established.

2.3. The supplier must pay due regard to the specifications of the relevant transporter, carrier or haulier. The supplier is liable for any damage resulting from inadequate packaging. Packaging costs, haulage and warehouse charges and all incidental shipping costs are to be paid by the supplier. This also applies to surcharges for express delivery required as a result of circumstances for which the supplier is responsible.

2.4. Empty containers and packaging materials will be returned carriage unpaid at the cost of the supplier, unless they are disposable. Our packaging regulations apply (available at www.lappkabel.de in the download section).

2.5. In cases of delivery carriage paid to our factory, the risk will be transferred to us when the delivery has been properly handed over at the place of performance.

2.6. The number of pieces, dimensions, weights and quality features that are determined during our incoming check are definitive. If necessary, any statistical testing method described in our order and the results derived from it with regard to the entire delivery are also definitive. The defence of acceptance without reservation is excluded. We are not obligated to accept partial or additional deliveries that have not been agreed. We may return deliveries made before the agreed delivery date to the supplier, at the latter's expense and risk, or to charge storage costs.

2.7. Natural disasters, riots, official measures, transport disruptions, labour disputes and other operational disruptions to our operations or in the area of our

suppliers' operations which lead to a cessation or restriction of our production or prevent us from transporting the ordered goods, release us from our acceptance obligation for the duration and to the extent of their effect to the extent that we cannot avert such a disruption or if it is not possible to avert such with reasonable means.

3. Quality

3.1. The supplier guarantees that the ordered goods meet the legal requirements (objective and subjective as well as assembly

requirements) and are free from design, material and manufacturing defects.

3.2. The supplier must carry out a quality check that is suitable in terms of its nature and scope and is in line with the latest technical developments.

3.3. Should we request an initial or reference sample, the supplier may commence series production only upon receipt of our express written approval.

3.4. The supplier must constantly align the quality of the products to be delivered to us with the latest state-of-the-art and to inform us of any possible improvements and technical changes. However, any changes to the delivery item and, in the case of a permanent business relationship, to the method of production may only be carried out with our express prior consent.

4. Prices, payment and transfer of ownership

4.1. The prices specified in the order always include delivery carriage paid to our factories. If, by way of exception, the prices are not agreed in advance, the contract will come into existence only after the binding prices to be quoted in the order confirmation have been accepted by us in writing.

4.2. Payment must be made after the receipt both of the goods in conformity with the contract, together with their proper accompanying documents, and of a proper and verifiable invoice. Unless a special arrangement has been reached, invoices must be settled on the 30th of the month following that of their receipt with a 3% discount, or within 60 days with no discount. This period commences from the receipt of the invoice and delivery. Deliveries that are made and accepted prior to the agreed delivery date will only be classed as having been received at that time.

4.3. Payment must be made using the payment method of our choice.

4.4. The supplier may not assign its claims against us, nor have them collected by third parties. Section 354 a of the German Commercial Code [Handelsgesetzbuch, HGB] applies notwithstanding.

4.5. In the event of a defect in quality or title, we may delay payment until this has been properly rectified.

4.6. If we have paid an advance or provided materials for processing, ownership of the goods ordered will pass to us when their manufacture commences. Handover is replaced by the agreement that the goods will remain in the supplier's possession for processing until the agreed delivery date and will be held on our behalf. The supplier is obligated to label our goods as our property.

5. Warranty and liability

5.1. In cases of defective delivery, the statutory regulations will be applicable unless otherwise specified below. Rather than resorting to an exchange or reduction in price – to which we always reserve the right – we may request that the supplier eliminates the defects free-of-charge within a reasonable period of time (supplementary performance). Should such a situation arise in urgent cases and the supplier be unable to complete such a rectification within the necessary deadline that we have been compelled to set, we may, after prior consultation with the supplier and at the supplier's expense, either undertake the rectification ourselves, have it carried out by a third party, or to procure a replacement by other means. The same applies if the supplier defaults on its guarantee obligations.

If the statistical testing method described in the order establishes that the maximum permissible fault rate has been exceeded, we may file claims for defects with respect to the entire delivery or, further to prior notification, test the entire delivery at the expense of the supplier.

5.2. The supplier bears liability for replacements and supplementary performance work to the same extent as for the original delivery item; for replacements, the guarantee period will be recommenced.

5.3. The supplier must pay the costs and bear the risk for the return of rejected goods, regardless of the location of the defective item.

5.4. If the delivery is repeatedly defective, we may enforce a claim for the damages incurred and to withdraw from the unfulfilled part of the delivery contract after giving prior warning, or to immediate termination in the case of successive delivery contracts, whereby tool costs that we have not amortised must be repaid.

6. Prohibited ingredients

Delivered products must comply with all national and European regulations, in particular the following guidelines and requirements:

6.1. RoHS Directives 2002/95/EC and 2011/65/EU

Regardless of the scope of the RoHS Directive, none of the products' homogeneous materials are permitted to contain any of the substances listed in Annex II of European Directive 2011/65/EU (RoHS) in excess of the maximum concentration values listed therein. Exceptions are permitted if they fall under the applications listed in Annexes III and IV (RoHS).

6.2. REACH Regulation (EC) No.1907/2006

No products are permitted to contain any substances in concentrations greater than 0.1% (w/w) from the current Candidate List pursuant to Article 59 (1,10) of European Directive 1907/2006/EC (REACH). All products must also comply with the substance restrictions of REACH Annex XVII. In particular specifications for products that are

made available to the general public must be observed. In addition, none of the products' homogeneous materials are permitted to contain any substances in concentrations greater than 0.1% (w/w) from the current Candidate List pursuant to Article 59 (1,10) of European Directive 1907/2006/EC (REACH).

7. Third-party property rights

7.1. The supplier is liable for ensuring that the use of the goods it supplies – insofar as they are designed by the supplier – does not directly or indirectly infringe domestic or overseas trademarks or other rights that do not enjoy special protection and indemnifies us and our buyers from all resulting claims. Furthermore, the supplier is liable for any other direct or indirect losses or damage suffered by us due to its infringement of such rights.

7.2. If the supplier determines in connection with the production that property rights or protection applications could be violated, it must inform us without undue delay and without request.

8. Production tools and provided parts

8.1. Means of production such as drawings, models, samples, tools, gauges and the like, which we provide to the supplier or which are manufactured by the supplier according to our specifications, may not be sold, pledged or otherwise passed on to third parties or used in any way on the behalf of third parties without our written consent.

8.2. If we pay the supplier in full or for the most part for production materials or tools, the supplier must transfer ownership to us. Handover is replaced with a loan agreement, on the basis of which the supplier will be entitled to be in possession of the production tools or materials until we withdraw such an entitlement.

The processing of materials and the assembling of parts must be carried out on our behalf. It is agreed that we are co-owners of the products manufactured using our materials and parts in proportion to the value of the production material provided to the value of the entire product, which are stored for us by the supplier in this respect. The supplier is not entitled to a right of retention to such production equipment owned by us, unless its claim is undisputed or has been legally established.

8.3. Costs for the care, maintenance and renovation of the production tools supplied by us, produced to our specifications or paid for by us in full or for the most part must be paid by the supplier. These production tools may only be modified with our prior written consent. They must be returned to us upon our request and at the supplier's risk and expense.

8.4. The supplier must insure the production tools on our behalf against fire, water and damage at its own expense.

8.5. Provisions that are our property must be returned to us without undue delay upon our request. The assertion of a right of retention is excluded, unless the claim underlying this right of retention is uncontested by us or has been legally established.

8.6. The supplier must verify without undue delay that provided parts are free from defects. If a part provided by us is culpably damaged or destroyed in the supplier's area of responsibility, the liability of the supplier will also extend to the repair or replacement of the provided part.

9. Trade secrets and advertising

9.1. The supplier must view the order and all associated commercial and technical details as trade secrets and to treat them as strictly confidential. This obligation must be passed on to its sub-contractors.

9.2. The supplier may only refer to its business relationship with us in its advertising if we have given our prior, written agreement to such.

10. Duties, origin, export controls, and supply chain security

The supplier guarantees compliance with these terms of delivery within the supply chain. The supplier undertakes to provide appropriate evidence at our request, for example, certificates or declarations (e.g. security declarations for Authorised Economic Operators (AEOs) and declarations as part of C-TPAT or similar programmes) in order to support us during any audits by the authorities.

11. Compliance and sustainability

11.1 The supplier undertakes to take the necessary and appropriate measures that are reasonable for it to avoid violations of the law, in particular against the provisions on combating corruption, antitrust law, competition law, environmental protection, customs and foreign trade law as well as the rights of employees. This applies not only to our own business operations in order to prevent the carrying out or failure to act against criminal acts by legal representatives and employees, but also to subcontractors or other third parties commissioned by the supplier. Notwithstanding the above, the supplier must comply with all laws, regulations and standards that apply to it and its business relationship with the principal.

11.2 In the event of an infringement of the obligations pursuant to clause 1.1 or in the event of a reasonable suspicion of such an infringement in connection with the fulfillment of the obligations under this contract, the supplier must inform the principal without undue delay and notify it of the measures it intends to take and by when to remedy the infringement or to prevent future infringements. If the supplier fails to inform the principal without undue delay and take appropriate measures within the specified

time, the principal reserves the right to take appropriate legal action, up to and including the termination of the contract concerned without notice or the suspension or termination of the business relationship.

11.3 The supplier indemnifies the principal, its legal representatives, organs and employees from all claims, damages, costs and expenses (including the costs of legal advice) resulting from an infringement of the obligations according to clause 1.1 and clause 1.2. This does not apply if the principal

or a third party commissioned by the principal is responsible for the infringement.

11.4 In all other respects, the provisions of the principal's

Supplier Code of Conduct available at:

<https://www.lappkabel.de/unternehmen/einkauf.html>

apply to sustainability in relationships with business partners once the contract is concluded.

12. General

12.1. The order and delivery are exclusively subject to the law applicable in the principal's country. The applicability of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

12.2. The place of jurisdiction is the registered office of the ordering company. The company reserves the right to institute legal proceedings at any other admissible place of jurisdiction.

U.I.LAPP GmbH