

General Purchase Conditions

1. Scope; conclusion of contracts

1.1 These Conditions of Purchase shall apply to all deliveries and services of the Supplier, unless expressly otherwise agreed. Other general standard terms and conditions, in particular standard terms and conditions of the Supplier, shall not apply even if they are not expressly objected to in an individual case or if ordered goods/services have been accepted without reservation.

1.2 Orders and their acceptance shall be in writing.

1.3 Oral agreements, of whatever nature, shall not be valid unless confirmed in writing by the Customer. Written form shall also include confirmations sent by email or fax.

1.4 If the Supplier does not accept orders within 2 (two) weeks of their receipt, the Customer shall be authorised to re-voke them at no cost or any liability.

1.5 The Supplier shall only assign third parties with order fulfillment in full or in part with the Customer's prior written approval.

2. Delivery; consequences of failure to meet delivery times

2.1 Agreed delivery times shall be binding. The Customer shall be notified without undue delay in writing of any circumstances which prevent the delivery time from being met or delay delivery. The time the goods are received, or the service is completed at the Customer's premises or at the place where they are to be delivered/performed as stated in the order ("place of performance") shall determine whether the delivery time has been met.

2.2 Partial deliveries and deliveries prior to the agreed date of delivery shall require the consent of the Customer.

2.3 The Supplier is obliged to ensure that goods it has supplied or spare parts for them can be supplied to the Customer at reasonable terms and conditions for a period of 10 years after the last delivery. If the Supplier intends to discontinue supplying such goods or spare parts for them during this period of time or after this period of time expires, it shall inform the Customer immediately in writing and give the Customer the opportunity to place last orders.

2.4 If agreed delivery/performance times are not observed, the Customer can demand for each complete week by which the deadline is overrun an amount of 0.5% of the total order value as a lump sum without having to furnish proof of damage or loss, unless otherwise agreed explicitly. In addition, the right of the Customer to claim for further direct and indirect losses incurred by the Customer due to the delay remains unaffected and the Customer shall be entitled to claim any statutory rights. Acceptance of the delayed delivery or service shall not constitute any waiver of compensation. The Supplier shall be liable to pay the above even if no explicit reservation is specified when the goods or services are accepted.

3. Prices; terms of payment; transfer of risk

3.1 Unless otherwise agreed, the prices are delivered duty paid (DDP) in accordance with Incoterms 2010, including packaging plus statutory value-added tax and import duty, where applicable. In particular, for import transactions, the Supplier shall provide the Customer with an original import customs declaration form showing the Customer as the consignee and a copy of the import tax payment certificates issued by the competent Customs office.

3.2 Invoices can only be processed if – in accordance with the stipulations in the order – they specify the order number stated in the order and all other reference information; the Supplier shall be responsible for all the consequences of a failure to

comply with this obligation, unless it proves that it is not to blame for said failure.

3.3 Unless otherwise agreed, invoices shall be paid within 60 days as of the receipt of both the invoice and the goods/performance of the service.

3.4 The Supplier shall bear the risk of accidental loss and accidental deterioration of the goods until they have been accepted by the Customer or its agent at the place where the goods are to be delivered as stated in the order.

4. Acceptance

4.1 A formal acceptance by the Customer shall be required in case the Supplier is to provide a work performance or work delivery. If the inspection of the work performance or work delivery requires putting it into operation, acceptance shall be made after putting into operation was free from defects. The acceptance shall, at the Customer's option, either take place at the Supplier's plant or at the place of delivery.

4.2 Acceptance shall be made by issuing an acceptance certificate. Payments without reservation shall not constitute an acceptance or an approval of delivery items or a waiver of warranty claims.

4.3 All costs of acceptance shall be borne by the Supplier.

5. Shipment

5.1 Notification of shipment of the goods shall be given at the latest at the time the deliveries leave the Suppliers' premises. The shipping address and the Customer's order number, including the item number, shall be indicated on all shipment papers, bills of lading and parcel labels. Consignments for which the Customer has to bear all or part of the freight costs shall be transported at the lowest freight rates or according to the Customer's shipping instructions. The shipping instructions, in particular the place where the goods are to be delivered, which is also the place of performance, shall be stated in the order.

5.2 In order to prevent damage in transit due to the cargo being secured inadequately or not at all, the Supplier shall have the cargo secured by the carrier collecting it.

6. Packaging

6.1 The Supplier undertakes to ship its produced or processed goods only in packaging that is environmentally friendly in terms of type, shape and size and that complies with the latest version of official or other goods related applicable packaging regulations.

6.2 Irrespective of whether the packaging concerned is transport packaging, retail packaging or an outer protective wrapping, the Supplier agrees to take it back after use without any additional charge and to reuse or recycle it outside the public waste disposal system.

7. Notice of defects

The Customer shall endeavour to check incoming deliveries for their correct quantity, externally visible, obvious damage in transit and externally visible, obvious defects, insofar and as soon as this is expedient in the ordinary course of business. The Customer shall report externally visible, obvious defects, generally, within 14 (fourteen) days from the receipt of the deliveries.

8. Liability for defects

8.1 The Supplier warrants to the Customer that, commencing from the date of delivery to the Customer or the Customer's customer, the ordered goods or services are free of any de-

fects as to quality and defects of title as well as that they are fit for use for their designated purpose and they fully comply with the specifications as well as the quality standards as may be provided by the Customer in writing, the purchase order and/or contract and these Conditions of Purchase.

8.2 If the Customer informs the Supplier of the intended use and place of use of the goods to be supplied, the Supplier warrants that its delivery and service are suitable for that use and place.

8.3 If a defect as to quality or a defect of title exists, the Customer shall be entitled to all statutory warranty claims without reduction, unless otherwise agreed, arising from defect liability and/or breach of contract (such as but not limited to replacement, remaking, return of goods or services, or reduction in price or remuneration) and to compensation of any loss and damages.

8.4 In principle, the Customer shall have the right to select the manner of remedy. If the Supplier does not begin with subsequent remedy as part of the contract, e.g. rectification of defects or delivery of a substitute, as soon as it has been requested to do so by the Customer, the Customer shall have the right in urgent cases, in particular to avert danger or avoid/limit damage, to carry out the manner of remedy selected by the Customer, or to have it carried out by a third party, at the expense of the Supplier. The Customer shall have the same right if rectification of defects or delivery of a substitute fails or is refused.

8.5 If claims are asserted against the Customer due to the infringement of third-party rights in connection with the Supplier's delivery/service, the Supplier shall be obliged to fully indemnify the Customer against these claims at the first written request. The Supplier's obligation to indemnify the Customer shall relate to all expenses necessarily incurred by the Customer from or in connection with the claims asserted against it by a third party.

8.6 The warranty period for claims for defects shall be 24 months – except in cases of willful misconduct – starting from the day of acceptance, unless otherwise agreed. If the Supplier meets its obligation to remedy a defect by supplying substitute goods, the warranty period for said goods shall commence anew after they have been delivered.

The notice of defect suspends the warranty period for warranty claims regarding the delivery item concerned.

8.7 The Supplier undertakes to bear all installation and removal costs as well as transport costs to and from the place of use in cases where such costs have demonstrably been incurred due to deficient delivery/performance. The Customer therefore advises the Supplier to take out special liability insurance for installation, removal and transport costs to and from the place of use with coverage of at least RMB 2,000,000 per damage event.

9. Software

9.1 The Supplier shall ensure that the Customer shall obtain the right to use software that is part of the scope of delivery, including the documentation for it, with the agreed features, to the extent necessary for the contractual use of the software and as permitted by applicable law.

9.2 Before the software is shipped or installed on a system of the Customer or its end customers, the Supplier shall check it for viruses, Trojans and other computer malware using up-to-date, customary antivirus programmes.

10. Quality assurance

10.1 The Supplier undertakes to warrant permanent quality assurance for its goods by means of installation of an adequate quality assurance system, e.g. DIN EN ISO 9001 ff or similar and to undertake quality tests and checks that are prescribed by the Customer or which are otherwise suitable dur-

ing and after production of its deliverables. The Supplier shall document these tests and checks.

10.2 The Customer shall have the right to require proof of the quality assurance system installed at the Supplier, to satisfy itself of how the quality tests and checks are carried out on site, including if applicable at subcontractors' premises and to conduct audits at the Supplier's site.

10.3 The Supplier shall immediately inform the Customer in writing of changes in the composition of the processed material or design of its deliveries or services without being requested to do so. The changes shall require the written consent of the Customer.

10.4 The quality assurance policy of the Customer disclosed to the Supplier and the quality assurance agreements concluded with the Supplier shall be part of the contract.

11. Requirements for marketing products; product liability

11.1 If the Supplier is entirely responsible for damages caused to the Customer and/or any third party due to product liability law, the Supplier shall be obliged to indemnify the Customer in this regard against claims for damages by third parties at the first request if the cause of the damage is in the sphere of responsibility of the Supplier.

11.2 As part of its liability under Section 11.1, the Supplier is also obliged to reimburse any expenses incurred by the Customer from or in connection with a warning issued or recall conducted by the Customer.

Where possible and reasonable, the Customer shall inform the Supplier of the content and scope of the measures to be performed and coordinate them with the Supplier. Other claims under product liability related laws shall remain unaffected.

11.3 The Customer advises the Supplier to maintain a product liability insurance to cover the risks from Sections 11.1 and 11.2, with coverage of at least RMB 2,000,000 per damaging event.

12. Intellectual Property Rights

The Supplier shall be liable for claims arising from infringement of intellectual property rights or applications for intellectual property protection when the delivery is used in conformity with the contract. The Supplier shall fully indemnify and hold harmless the Customer at first request, the Customer's contract partner and/or the user from any claims related to the use of such intellectual property rights.

13. Safety; protection of the environment

13.1 The Supplier shall ensure that its deliveries and services meet the environmental protection, accident prevention and work safety or further security or safety relevant regulations in force at the premises of the Customer or other place of performance, in order to avoid or reduce harmful impacts on human beings and the environment. To this end, the Supplier shall install and enhance a management system, e.g. DIN EN ISO 14001 or similar. The Customer shall have the right, if applicable to require proof of the management system installed at the Supplier and to conduct audits at the Supplier's site.

13.2 The Supplier has to comply with the relevant provisions on the handling and placing on the market of hazardous goods as included in any relevant provisions under the applicable laws and regulations. The Supplier also has to observe the relevant provisions on the disposal of waste and recycling material and point out any product handling, product storage and disposal requirements to the Customer.

14. Models and tools; confidentiality

14.1 Any models and tools which are produced by the Supplier at the Customer's expense shall become the property of

the Customer upon payment for them. They shall be treated with care by the Supplier, indicated as property of the Customer and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage. Resale of the parts produced using these models and tools shall not be permitted without the express written approval of the Customer.

14.2 Documents, drawings, plans and sketches and other know-how of the Customer which the Customer entrusts to the Supplier for producing the ordered delivery and/or service, in whatever form (e.g. in writing, by fax, by e-mail or on electronic data carrier) shall remain the sole property of the Customer.

14.3 The Supplier shall not disclose any documents and trade secrets of the customers of the Customer (End-user), take photos, or bring any of the Customer's or the End-user's items out of the plant without authorization.

They are trade secrets of the Customer and shall be treated strictly confidentially. The Supplier undertakes to treat them with care, to make them available only to employees who need them for fulfilling the contract and who are in turn obligated to maintain confidentiality, not to make them available to third parties, to make copies only for the purpose of executing the contract, and to return all documents, including copies of them, to the Customer upon completion of delivery.

15. General Data Protection Regulation

15.1 The Supplier has to comply with the relevant provisions of applicable data protection laws and regulations, such as The Cyber Security Law Of The People's Republic Of China or General Data Protection Regulation (GDPR).

15.2 Under relevant provisions of applicable data protection laws and regulations, the Customer is entitled to collect, use, store, transmit, revise and delete any person-related data of the Supplier in course of business transactions.

16. Export control

16.1 If requested by the Customer, the Supplier must submit a supplier's declaration to satisfy all applicable export control related requirements. The Supplier shall assure that the shipment documents and information and other relevant documents and information required for export and customs clearance of the Goods are complete, precise and submitted in good time to handle the export as scheduled by.

16.2 The Supplier must inform the Customer of any approvals required on the (re-)export of its goods by export or customs regulations of the People's Republic of China or other applicable export or customs regulations. For this purpose, the Supplier will, insofar as this was not already provided in its offer, supply the required information next to the relevant item references at the Customer's request when an order is accepted and on every delivery note:

16.3 At the request of the Customer, the Supplier shall be obliged to inform the Customer in writing of all further foreign trade data related to the goods and its components, as well as inform the Customer immediately in writing of all changes to the data specified in Section 16.2.

16.4 If details in accordance with the previous sections are not provided or are provided incorrectly, the Customer shall, without prejudice to further rights be authorised to withdraw from the contract.

17. Insolvency of and similar situations regarding the Supplier

If the Supplier suspends payments, or ceases or announces its intention to cease to carry on its business, or enters into liquidation or is declared insolvent or bankrupt or is deemed to be insolvent or unable to pay its debts or if the Supplier or one

of its creditors files for insolvency proceedings on the Supplier's assets or similar proceedings on debt clearing, the Customer can, without prejudice to its other statutory and contractual rights, at its discretion terminate the contract and/or enter into the contracts of the Supplier with its subcontractors.

18. Entrepreneurial responsibility; Code of Conduct

The Supplier declares its commitment within the scope of its entrepreneurial responsibility to ensure that it complies with legal provisions, including environmental protection laws, regulations relating to labour law and laws on the safety of employees, and does not tolerate child or forced labour in or in relation to the production and sale of its goods or the provision of its services. Upon accepting the order, the Supplier further confirms that it shall not commit or tolerate any form of bribery and corruption and to observe the provisions of the Leotec Code of Conduct and Supplier Sustainability Policy.

19. General provisions

19.1 The assignment of claims without the express written approval of the Customer shall be excluded.

19.2 These Conditions of Purchase and the related contract shall to the greatest extent possible be interpreted in such a manner as to comply with the applicable laws. However, if any provision thereof is, notwithstanding such interpretation, determined to be or to become invalid or unenforceable, or if there is an omission, the remaining provisions of these Conditions of Purchase and the related contract shall remain to be binding upon the contract partners. The contract partners agree to replace any such invalid or unenforceable provision by a valid and enforceable one which comes as close as possible to the original purpose and intention of the invalid or unenforceable provision. In the event of an omission, a provision which corresponds with the purpose and intention of what would have been agreed between the contract partners, if the matter had been considered at the outset, shall be deemed to have been agreed.

19.3 If a contract party cannot perform its obligations stipulated in these Conditions of Purchase and the related contract due to reasons which are directly and exclusively attributable to force majeure, it shall notify the other contract party in writing without undue delay of the occurrence of such an event and, within 30 (thirty) days, provide to the other contract party a statement or certificate of the existence of the circumstances constituting force majeure.

19.4 These Conditions of Purchase and the related contract shall be subject to the laws of the People's Republic of China (the "PRC") excluding its conflict of law rules, even in the case of orders from abroad. Application of the U.N. Convention on Contracts for the International Sale of Goods is expressly excluded.

19.5 All disputes arising out of or in connection with these Conditions of Purchase and the related contract including any question regarding their existence, validity or termination, shall be settled through friendly consultations between both contract partners. If no agreement can be reached between the contract partners within 30 (thirty) days after the dispute has arisen, the dispute shall be finally submitted to Shanghai Arbitration Commission for arbitration according to the Rules of Arbitration of the said arbitration commission effective on the date of request for arbitration.

The arbitration award shall be final and binding on the contract partners. The arbitration fee and the reasonable expenses of the winning contract partner, including lawyer's fees, shall be borne by the losing contract partner except as otherwise awarded by the arbitration tribunal. During the arbitration proceedings the contract partners shall continue to perform the contract except for the stipulations which are in dispute.

Supplier Sustainability Policy

1. Purpose

Leadec is committed to the principles of sustainability and recognise this is key to our long-term success. Our approach to sustainability includes committing to responsible sourcing and promoting sustainability in our value chain. The following policy is the minimum requirement that our suppliers must maintain, Leadec expects our suppliers to share and implement these standards with their own suppliers and subcontractors.

2. Scope

This policy applies to all companies in the Leadec Group worldwide and all suppliers that delivers good and/or services to any entity of the Leadec Group, including their parent, subsidiaries, employees and agents.

3. Environment

Suppliers shall adopt environmental practices that seek to minimise adverse impacts on the environment and that promote conservation of energy, raw materials and resources. Suppliers shall ensure compliance with all applicable environmental laws and regulations.

3.1. Energy consumption and greenhouse gas emissions

Suppliers shall take action to reduce their energy consumption and minimise the impact of their activities on climate change by reducing greenhouse gas emissions from all activities along the entire supply chain

3.2. Natural resources and waste management

Suppliers shall operate processes for waste management and waste reduction with prevention, reduction, reuse and recycling of waste identified as priorities throughout the lifecycle of their products. Suppliers shall support the sourcing and efficient use of sustainable and renewable materials.

3.3. Water consumption

Suppliers shall seek to reduce and optimise water consumption in their operations and throughout the lifecycle of their products.

3.4. Air & water quality

Suppliers shall control the release of any wastewater or air emissions into the environment, managing, controlling or treating any potential adverse impacts.

3.5. Responsible chemical management

Suppliers shall comply with applicable local laws regarding the handling, movement, storage, use, recycling, reuse and disposal of chemicals or hazardous substances.

4. Health & Safety

Suppliers shall provide a safe, healthy and well managed work environment and seek to prevent incidents and injuries ensuring all appropriate personal protective equipment is provided. Suppliers shall comply with all applicable local occupational health and safety legislation.

5. Human Rights and Working Conditions

Suppliers shall commit to uphold the human rights of their workers and treat them with dignity and respect. Suppliers shall support the protection of internationally proclaimed human rights and ensure they are not complicit in human rights abuses

5.1. Child labour and young workers

Suppliers shall not use illegal child labor. The employment of young workers below the age of 18 shall only occur when young workers are above a country's legal age for employment

5.2. Wages, benefits and working hours

Suppliers shall pay workers according to applicable wage laws, including minimum wages, overtime hours and benefits. Working hours for employees shall not exceed the maximum set by national law.

5.3. Forced or compulsory labour and human trafficking

Suppliers shall not use forced, involuntary or slave labour. Suppliers including their recruitment agencies shall not tolerate excessive recruitment fees, confiscation of identity documents, withholding wages, debt bondage, harassment or violence.

5.4. Freedom of association and collective bargaining

Suppliers shall not obstruct employee representation and commit to dialogue with employees and workers representatives in accordance with local laws.

5.5. Non-discrimination

Suppliers shall provide equal employment opportunities to all employees and applicants without discrimination.

6. Final Provisions

This policy is effective from 01.10.2019. Future changes are expressly reserved.