

1. General

The supplier expressly confirms that he is not affected or recorded by the current regulations and directions (of Germany, the European Union and/or the United States of America) regarding sanction lists (e.g. financial sanctions list); if he becomes aware of it, he will inform us immediately.

Our terms and conditions of purchase apply exclusively; conflicting or deviating terms and conditions of the supplier are only accepted to the extent that we have expressly agreed in writing; however, a waiver of our purchase conditions does not mean that we accept other purchase conditions or passages thereof. Acceptance of goods or services provided by the supplier and payment from our side does not constitute an agreement. The terms of purchase also apply to goods and services ordered in the future, unless otherwise agreed in writing. Supplier is aware that time of delivery is of absolute importance for us and our customers.

2. Order confirmation

Orders shall always be confirmed without delay, but not later than 3 days after the order date. Otherwise, we are entitled to cancel. Deviations in the order confirmation to our order shall be valid only if they are expressly accepted in writing by us. Only orders, delivery schedules and agreements given in writing and signed or sent by electronic data transfer are valid. Orally or by telephone provided orders and changes on already placed orders need our written confirmation or confirmation stated by electronic data transfer. Delivery schedules are binding if the supplier does not reject within 2 working days of receipt thereof.

3. Prices and Pricing

If not otherwise provided, all prices are "delivered duty paid" (DDP Incoterms 2000) including packaging. Sales tax is not included. For the preparation of tenders and the production of pattern pieces we offer no compensation. Cost estimates are binding and free of charge, unless it has been explicitly agreed otherwise.

4. Payment terms, Assignment and Set-off

Unless otherwise agreed, we pay the bill either within 14 days with a 3% discount, within 30 days with a 2% discount or within 60 days without deduction from the due date of the invoice and receipt of both the invoice and the goods or provision of services. The date of payment is the transfer date of our cash payment. The payment is subject of our invoice verification. We shall have the right to pay by check or with rediscountable bill with takeover of incurred expenses by us. Without our prior written consent, the supplier may not assign his receivables or obligations, or have collected his receivables by third parties. The supplier is authorized to offset with undisputed or legally determined counterclaims only. We may, based of counterclaims, withhold payments or perform the offset.

5. Delivery and Transfer of risk/perils

Deviations from our orders, delivery schedules and purchase orders are valid only with our prior written consent. Agreed dates and deadlines are final and binding. Relevant for the adherence/compliance of the delivery date or period is the receipt of the goods at our stated or agreed place of use or performance. If delivery is not DDP (Incoterms 2000), the supplier has to provide the goods duly in time, taking into account the time agreed with the carrier for loading and dispatch. If the supplier does not meet agreed deadlines, the statutory provisions shall be deemed as agreed. If the supplier realizes, expects or is informed about difficulties in the production, the adherence/compliance with the delivery date or similar circumstances that might prevent him from delivery duly in time or from deliver the agreed quality, the supplier must immediately notify our ordering department. The unconditional acceptance of a delayed delivery or service does not constitute any waiver of related rights or remedies granted under this agreement. Partial deliveries are permitted, unless we have expressly agreed. Quantities, weights and measurements determined by us at the incoming goods inspection shall prevail, unless proven otherwise. The supplier bears the material risk until the goods are accepted by us or our agents at the place of delivery stipulated in the purchase order.

6. Shipping, Billing

For each delivery we expect to the delivery or billing address named in the purchase order a delivery note and the bill, quoting the invoice number, order master data and any subscription and item numbers; the bill may not be attached to the shipments. Costs that incur by not following the shipping instructions shall bear the supplier. The invoice

must include all qualifying information requested by the German VAT law, in order to perform the deduction of input tax, such as tax number or VAT registration number, account number and other information required pursuant to an invoice. If the invoice does not show the aforementioned data, we are not obliged to pay the input tax shown on the invoice. We will deduct the failed input tax claiming due to an incorrect invoice and the supplier must pay back the VAT paid by us.

7. Quality and Documentation

The supplier shall comply with his deliveries to the accepted rules of science and technology at the time of delivery, the agreed technical specifications, valid safety instructions and legal safety regulations. Changes to the delivery require our prior written consent. The supplier needs to set up and demonstrate an appropriate quality management. In his quality records he must ensure for all products ordered by us, when, how and by whom their defect-free production was performed. For items that require an official permit or approval, he must perform special records when, in what manner and by whom the delivery items have been tested related to characteristics of permit or approval and what results the quality tests have shown. In issues requiring documentation, the evidence should be stored 15 years and submitted to us on demand. The supplier is required to obligate subcontractors or his suppliers to the legal context of the same extent.

If supplier procures materials for manufacturing, sales, testing or other quality assurance from other suppliers and other subcontractors, supplier will contractually include them in his Quality Management System; he has to have its sub-suppliers contractually agree that he, we and other supervisory authorities will be entitled to access their premises at any time and even unannounced for monitoring or certification audits.

The supplier has, especially if he does not come from the European Union, to comply fully and to furnish proof of conformity of all the materials and ingredients to the applicable statutory here and/or EC regulations (e.g. EC 2002/95 RoHS, EC 1907/2006 REACH, ...) and is obliged to notify us immediately in case of relevant changes.

8. Warranty

Acceptance by us is subject to an inspection for defects, especially for accuracy and completeness, as and if this is possible in the ordinary course of business. Defects are going to be reported by us promptly after discovery. In this respect the supplier waives any remedies for late notice of claims. The statutory provisions on material defects and defects of title shall apply, unless subsequently otherwise regulated. We have the right to choose the type of supplementary performance. The supplier can refuse the type of supplementary performance chosen by us only, if it is connected with disproportionate costs for him. If the supplier does not begin immediately after our request with the removal of the defect, it is our right, in urgent cases, especially to prevent imminent danger or significant harm, to remove the defect by our own at the expense of the supplier or assign any third party to do so. In case of defects of titles, the supplier will also indemnify us from any claims by third parties, unless he is not responsible for the defect. The same applies if a reasonable period to remedy, given by us, has expired unsuccessfully. Rights to claim fall under the statute of limitations in accordance with the statutory provisions applicable at the time of signing the contract. The limitation period begins with the delivery of the subject matter (transfer of risk/perils). If the supplier fulfils his duty of supplementary performance by replacement, the statute of limitation starts again from the beginning, unless the supplier has reserved his remedy expressly and correctly that the replacement is only a gesture of goodwill, to avoid disputes or in the interest of the continuation of the delivery relationship. The supplier has to bear any costs, incurred due to defective delivery of the subject matter, in particular transport, travel, labor and material costs or costs for exceeding the normal scope of incoming goods inspection. Our rights under §§ 478, 479 BGB remain unaffected.

9. Liability

The supplier has, if he's responsible for the violation, to pay compensation and all our expenses, which occur directly or indirectly as a result of a defective delivery, violation of official safety regulations or other legal reasons. Damages incurred by us, directly or indirectly as a result of the breach of a warranty, the supplier shall be strictly liable regardless of blame. If we are confronted by a product liability claim, the supplier takes the full responsibility to the extent of the damage was caused by a defect in the goods or workmanship supplied by the supplier. In case of fault-based liability, this applies only if the supplier is at fault. Unless the damage is the responsibility of the supplier, the

supplier shall bear the burden of proof. The supplier shall bear in all such cases, costs and expenses, including the costs of any legal action or recall campaign.

The supplier is obligated to maintain a business and extended product liability insurance, including property damage and product recall costs with a certified insurer within the EU. The coverage/lump sum must be appropriate for personal injuries and damages to property and also in the field of product recall costs and financial losses, however at least € 5 million.

Any persons, who, in performance of the contract, do any work at our factory premises, must observe the provisions of the respective factory regulations. Liability for accidents suffered by these persons on said premises is excluded, provided that these are not caused by intentional/willful or grossly negligent violation/breach of duty by us, our legal representative or agents.

10. Acceptance

We shall be entitled to perform the acceptance of the ordered items by us or by our agents at the location of the supplier. The invoicing procedure can not be made prior to the date of declared acceptance by us. Until final acceptance, the supplier bears the burden of proof for the correctness of the ordered items. This acceptance does not release the supplier from his warranty obligations.

11. Retention of title, Ownership of provided materials and supplies

An extended or expanded retention of title by the supplier shall be effective if explicitly agreed in writing between the supplier and us.

Our provided materials and supplies remain our property and may be used only as intended. The processing of our materials and supplies and the assembly of parts will be made for us. We are co-owner proportional to the value of the provided materials and supplies and to the overall value of the manufactured products, using our materials, supplies and parts, which, in this respect, shall be kept safe by the supplier.

Drawings, calculations, stencils, templates, samples, models, punches/dies, tools and other production equipment, which we pay or provide to the supplier for the execution of an order, remain or become our property; it is not allowed for those items without our prior written consent, to either supply, disposal or make known to third parties, nor it is allowed to reproduce such items beyond the scope of operational requirements/necessities and copyright laws. Subcontractors shall be bound accordingly. The afterwards manufactured goods may not be delivered to third parties without our written consent, either in their raw state nor if supplied as semi-finished or finished products. The same applies to parts, the supplier has developed due to our specification or with the assistance of us (e.g. through tests, etc.). Third parties for the purposes of these provisions are also those companies or individuals who are involved in any way with the sale of our products or services.

12. Documents and Confidentiality

All provided business and technical information (including features that can be found from/within objects, documents or software, and other knowledge or experience) are, as long and as far as they are not publicly known verifiable, to keep secret from third parties and may only be made available to persons in the own company of the supplier or his subcontractors, who need to be informed for their use for the purpose of supplying us necessarily and who are also committed to confidentiality; the information mentioned before will remain our exclusive property. Without our prior written consent, such information may - except for deliveries to us - not be reproduced or used for commercial purposes. At our request, all information originating from us (including any copies or records) and loaned items shall be promptly and completely returned to us or destroyed. We reserve all rights to such information (including copyright and the right to register intellectual property rights such as patents, utility models, etc.). To the extent that said information was made available to us by third parties, this reservation of rights shall also apply in favour of said third parties. The supplier may only advertise with our business connection with our written consent.

Data Privacy and Security

The supplier acknowledges that it may receive personal and/or confidential data of individuals ("Personal Data"), either in written form, in electronic files or at a meeting. All Personal Data related to individuals may be covered by local data protection laws. Supplier shall adhere

to the data protection laws applicable in the regions in which it conducts business, regardless of the location of its headquarters, and will access, use, store, transmit, disclose, and dispose of Personal Data only in accordance with such laws and the specific purpose(s) of this agreement and shall not provide such Personal Data to any third party without our express consent. Personal Data is also deemed to be confidential, and as such is subject to the restrictions on use and disclosure. Supplier agrees that it will implement information security measures that follow best industry practices which are sufficient to prevent unauthorized access to Personal Data by its employees or others. Supplier will notify ProDesign promptly of any unauthorized use of, disclosure of, or access to Personal Data. Supplier will comply with reasonable requests of the ProDesign made in order to comply with any applicable data protection law, including, without limitation, the obligations of a data processor under the EU General Data Protection Regulation ("GDPR"). Without limiting the generality of the foregoing, supplier shall comply with its obligations as a processor of the Personal Data of the other party as required under the GDPR, including, but not limited to, (i) processing such Personal Data only as contemplated by this agreement, (ii) notifying ProDesign within forty-eight (48) hours of any security breach applicable to the Personal Data, (iii) promptly cooperating with (a) any requests received by ProDesign for regulatory information or (b) any subject access requests under the GDPR and (iv) promptly comply with any requests for erasure, destruction, correction or disclosure of the Personal Data.

13. Code of conduct for Suppliers, 3rd Parties and Contractors

This code of conduct defines the principles and requirements of ProDesign for their suppliers/3rd parties/contractors of goods and services related to its responsibility, for example for people and the environment. ProDesign reserves the right to change the requirements of this code of conduct due to reasonable changes in ProDesigns compliance program or due to changes in respective laws. In this case ProDesign expects from its suppliers/3rd parties/contractors to accept these reasonable changes.

The supplier/3rd party/contractor hereby declares:

- Compliance with laws
 - To comply with the laws of applicable legal systems (Rechtsordnung(en)).
- Prohibition of corruption and bribery
 - Not to tolerate any form of corruption or bribery or to engage in any way, including any unlawful payment offers or similar payoffs to influence the decision-making process.
- Respect for fundamental rights of employees
 - To promote the equal opportunities and equal treatment of its employees regardless of their skin color, race, nationality, social origin, sexual orientation, political or religious beliefs, as well as their sex or age;
 - To respect personal dignity, privacy and personality rights of every individual;
 - Nobody to employ or to force to work against his will;
 - Not to tolerate the unacceptable treatment of workers such as mental hardness, sexual and personal harassment or discrimination;
 - Not to tolerate behavior (including gestures, language and physical contact) which is sexually, constraining, threatening, abusive, or exploiting;
 - To ensure adequate remuneration and ensure the statutory national minimum wage;
 - To comply with the maximum working time laid in each State;
 - As far as legally permissible to recognize the freedom of Association of employees and members neither of organizations or unions not to prefer nor to disadvantage.
- Confidentiality and data secrecy
 - To maintain complete confidentiality of ProDesign's confidential matters and its employees;
 - Not to collect, process or use any personal data of ProDesign and / or its employees that become known within the scope of the activity.
- Prohibition of child labor
 - Not to adjust workers who can present not a minimum age of 15 years. In countries that fall in the ILO Convention 138 under the exception for developing countries, the minimum age should be reduced to 14 years.
- Health and safety of employees

- To take over responsibility for health and safety to its employees;
- To reduce risks and to best possible precautionary measures take care against accidents and occupational diseases;
- To provide training and to ensure that all employees in occupational safety are trained;
- To build or to apply a safety management system according to OHSAS 18001, or an equivalent system.
- Environmental protection
 - To ensure the protection of the environment with regard to the legal norms and international standards;
 - To minimize environmental impacts and to improve environmental protection;
 - To build or to apply an environmental management system according to ISO 14001 or an equivalent system.
- Supply chain
 - To promote compliance with the content of the code of conduct for its suppliers;
 - To comply with the principles of non-discrimination when selecting and dealing with a supplier, 3rd parties/contractor.
 - To comply with national and/or international export control-, REACH-, SVHC- and RoHS- and similar regulations and with so-called "conflict materials" originated from respective states.

14. Export control and Customs

The supplier is obligated to allow any verification of proof of origins and supplier's declarations by customs authorities and to provide any required official confirmations or documents. The contracting partner is obligated to offset the damages incurred as a result of the declared origin not being recognized by the competent authority, provided that he or his agents are not guilty of intent or gross negligence.

If services provided by the supplier require an export permit, specific permits or are subject to re-export regulations (EAR, ITAR) or other regulations (REACH, SVHC, RoHS, Conflict Materials), he will duly notify us in writing and unprompted. If the supplier culpably omits this regard, he is responsible for the compensation of any resulting damage.

All necessary documentations have to be provided immediately by the supplier on our demand.

15. Force majeure

Acts of God, labor disputes, involuntary breakdowns, riots, official measures and other unavoidable events at the supplier's side or any of his subcontractors shall entitle us – regardless of other rights – to withdraw from the contract wholly or partly, provided that these events result in a substantial reduction of our demands and that they are of considerable duration.

16. Choice of law, Jurisdiction, Place of Performance

The contractual relations are governed by German law under explicit exclusion of both the conflict of laws and the UN Convention on Contracts of the International Sale of Goods (CISG).

Place of performance is our site or place, specified in the purchase order, unless a different delivery address is specified. Place of our payment is our residence.

Exclusively place of jurisdiction for all disputes/disagreements arising directly or indirectly from the contractual relations that are based under these conditions is our place of business. We are also entitled, by our choice, to take legal actions against the supplier at his place of business, his office, at the court of the place of performance or at any other court.

17. Final provisions

If any provision of these terms and the other agreements is or becomes invalid, the validity of the remaining provisions shall not be affected. The contractual partners are obliged to replace the invalid provision by a provision which comes as close as possible to the legal and economical meaning of the unenforceable or void provision. If the English meaning of this translation of our German "Einkaufsbedingungen" differs from the German meaning, the German meaning shall prevail.

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