

## **1. General – Scope**

- 1.1 These General Terms and Conditions of Purchasing shall apply to any delivery or service (hereinafter generally referred to as "Delivery" or "Deliveries") provided to KATEK SE and its affiliated companies acc. to Section 15 German Stock Companies Act (AktG) (i.e. Katek GmbH, KATEK Memmingen GmbH, KATEK Mauerstetten GmbH, KATEK Düsseldorf GmbH, KATEK Frickenhausen GmbH, eSystems MTG GmbH) by any seller, work contractor, or party obligated to perform services (hereinafter generally referred to as "Supplier").
- 1.2 Our Terms and Conditions of Purchasing shall be applicable on an exclusive basis; we shall not recognize any Supplier terms and conditions conflicting with or differing from our Terms and Conditions of Purchasing unless we have expressly agreed in text form to the validity of any such Supplier terms and conditions. Our Terms and Conditions of Purchasing shall also be applicable when we accept delivery from the supplier without reservation while being aware of Supplier terms and conditions conflicting with or diverging from our Terms and Conditions of Purchasing.
- 1.3 Our Terms and Conditions shall not be applicable unless to entrepreneurs, legal entities under public law or special funds under public law as defined in Section 310, Subsection 1 of the German Civil Code (BGB).
- 1.4 Our Terms and Conditions of Purchasing shall also apply to any future contract on any delivery made by the same Supplier without requiring us to refer to such framework agreement in every single case again.
- 1.5 Any individual agreement made with the Supplier in a particular case (including any subsidiary agreement, supplement or modification) shall take precedence over these General Terms and Conditions of Purchasing in every case. The contents of any such agreement shall be subject to a contract in text form or a confirmation in text form issued by us.
- 1.6 No legally relevant representation or notification (e.g., notice to set deadlines, reminder, notice of rescission) to be furnished by the Supplier to us after the conclusion of the contract shall be effective unless made in text form.

## **2. Offers, quotations and tender documents**

- 2.1 No order shall be brought about unless by our purchase order and/or delivery schedule, and by the Supplier's acceptance thereof in text form. If Supplier does not accept within five business days no contract takes effect. A later acceptance shall be considered as a new offer.

- 2.2 We are entitled to change usual quantity or quality tolerances, as long as prices or substantial technical parameters or delivery time will remain unaffected and these changes are reasonable for the Supplier.
- 2.3 We shall reserve title to ownership and, where any such document is eligible for copyright, the copyright in any illustrated matter, drawing, calculation or other document; no such illustrated matter, drawing, calculation, sample, model, or other document may be made available to any third party without our express written consent. No such image, drawing or document shall be used unless exclusively for the purposes as defined in our purchase order; any such illustrated matter, drawing, calculation, sample, model, or other document shall be returned to us upon a written request but not later, and then without any request, after having processed the purchase order. Any such document shall be kept secret from any third party, and, in such respect, shall be subject to the supplementary provisions set forth in items 11.4 and 11.5 below. The Supplier shall have no retaining lien to any such document.

### **3. Prices – terms of payment**

- 3.1 The delivery date indicated in the purchase order and/or delivery schedule shall be binding. Unless expressly agreed otherwise in writing, the price shall cover delivery DAP/DDP as per Incoterms 2010, including packaging, freight, assurance, unloading and taxes, toll and other fees. Packaging material shall be taken back by the supplier upon our request. Unless as otherwise agreed in text form and restricted to a particular case, the price shall also cover every service and incidental service to be provided by the Supplier (e.g., erection, installation) and every incidental expense (e.g., transport costs including any transport and liability insurance). In other respects, we are a customer having waived and prohibited shipping agents from taking out any forwarding, logistics and warehousing insurance for our products ("RVS-/SVS-Verbotkunde").
- 3.2 No invoice may be processed by us unless such invoice shows, among other information, the purchase order number as specified in our corresponding purchase order and all information required by Section 14 para. 4 German sales tax act (UStG); the Supplier shall assume responsibility for every consequence resulting from any failure to comply with such obligation unless the Supplier proves that he or she is not responsible for such consequence. In the case of non-compliance with this obligation payment will not be due.
- 3.3 Unless as otherwise agreed in writing, we shall pay the price either applying a 3% cash discount within a period of 14 days after delivery and the receipt of a proper and verifiable invoice, or net within a period of 30 days after invoice receipt.
- 3.4 We shall be entitled to setoff and to a retaining lien to the extent as defined by statutory provisions. We shall be entitled, in particular, to retain payments due as long as we still have any claim against the supplier resulting from any incomplete or unsatisfactory service.

- 3.5 No right to set-off and/or retention shall be available to the supplier unless for counterclaims which are recognized by declaratory judgment, uncontested or ready for a decision in any proceedings pending in court.
- 3.6 The Supplier shall not be entitled to assign any claim resulting from this contractual relationship to any third party. The foregoing shall not apply if and where monetary claims are concerned.

#### **4. Delivery period**

- 4.1 The delivery date indicated in the purchase order and/or delivery call-off shall be binding
- 4.2 The Supplier shall agree to inform us in text form and with no delay whenever circumstances occur or become apparent to the Supplier, indicating that an agreed delivery time cannot be met. Nonetheless, the foregoing shall not affect the Supplier's responsibility to observe the agreed delivery period.
- 4.3 In the event of any delay in delivery, we shall be entitled to the statutory claims. The provision defined in item 4.4 shall remain unaffected.
- 4.4 The supplier shall be obligated to pay a penalty if the supplier exceeds the delivery date. Such penalty shall amount to 0.3% per business day of delay but not exceed a total of 5% of the overall net remuneration amount affected by the delay. We shall be entitled to claim such penalty until the date of final payment even though we may not have expressly reserved such right at the time of receiving any late delivery. Neither the foregoing agreement on penalty, nor the assertion of such penalty shall affect any statutory claim to which we may be entitled for delay.

#### **5. Transfer of risk – documents – force majeure - termination**

- 5.1 Delivery shall be made DDP as per Incoterms 2010 to the destination as indicated in our purchase order and/or delivery schedule, unless otherwise stipulated in the order. If no destination is indicated and unless as agreed otherwise, delivery shall be made to the place of business of the ordering company. The corresponding ship-to location shall also be the place of performance. If acceptance has been agreed, the transfer of risk shall be subject to such acceptance.
- 5.2 The delivery shall be accompanied by a delivery note indicating, among other information, the date (issue and shipment), the contents shipped (article number and quantity) and our purchase order identifier (date and number). If a delivery note is either missing or incomplete, Supplier will compensate our efforts and the consequences of the delay, unless the Supplier is not responsible for the missing or the incompleteness.
- 5.3 We shall be entitled to request that delivery be made, either fully or in part, at a reasonable later time without entitling the Supplier to raise any claim against us for such reason if and where any failure to take delivery or grant acceptance on our side is caused by force majeure, industrial action or by any other event beyond our sphere of influence. Notwithstanding the foregoing, every contracting

party shall be entitled to rescind the contract if such extension exceeds a period of six months. No contracting party may assert any claim whatsoever against the other contracting party in such an event either.

- 5.4 The underlying contract may be terminated for good cause by either contracting party without observing any period of notice. A good cause shall be deemed to exist but shall not be limited to any existing fact under which the party giving notice to terminate, considering all circumstances on a single-case basis and balancing the interests of the contracting parties, may not be reasonably expected to continue such contract.

## **6. Liability for defects**

- 6.1 Where applicable, the commercial duty to examine and object to defects shall be subject to the statutory provisions (§ 377 of the German Code of Commerce, HGB) with the following proviso: Our duty to examine shall be restricted to any deficiency which becomes openly evident in our company (e.g., damage in transit, wrong or short delivery). No duty to examine shall exist if and where acceptance has been agreed upon. In other respects, such duty shall depend on whether an examination is expedient in the proper course of business when considering the circumstances of the individual case concerned. Our obligation to lodge complaints for any deficiency detected at a later time shall remain unaffected.
- 6.2 In every case, our complaint (defect notice) shall be deemed immediate and timely if issued within five (5) business days after delivery in the case of openly evident defects or five (5) business days after detection of the deficiency in cases of hidden defects.
- 6.3 We shall be entitled to the statutory claims based on defects without any reduction; irrespectively of the foregoing, we shall be entitled to request the Supplier, at our option, to provide either defect correction or replacement. In such event, the supplier shall agree to bear every expenditure required to provide such defect correction or replacement. We shall expressly reserve the right to receive compensation in damages including but not limited to damages for non-performance.
- 6.4 The period of prescription applicable to any claim based on a defect shall be 36 months calculated from the transfer of risk.
- 6.5 The Supplier shall perform a pre-delivery inspection which serves the same purpose as the incoming inspection actually required by us in accordance with § 377 of the German Commercial Code.
- 6.6 The running of the period of prescription shall be suspended upon the receipt of our written notice of defect by the Supplier. In the event of replacement or defect correction, the period of prescription shall restart for any part replaced or reworked unless the Supplier's conduct makes us assume that the Supplier did not feel obligated to but rather made any such replacement or defect correction only as a gesture of good will or for any similar reason.

## **7. Services provided under a contract for work**

- 7.1 Any services provided under a contract for work shall be subject to our formal acceptance. The supplier shall notify readiness for acceptance to us in writing and in good time.
- 7.2 Any conclusive or fictitious acceptance shall be excluded.

## **8. Miscellaneous rights and obligations**

- 8.1 We shall be entitled to request the supplier to make technical modifications to deliveries at any time. In such an event, the supplier, upon a request in text form, shall notify us in text form and not later than within 10 days about any consequence thereof in terms of technology, content, cost or time. The supplier shall agree to make a corresponding amendment agreement in text form by common consent with us. The supplier shall not be obligated and entitled to make the modifications requested unless after having concluded such an amendment agreement.
- 8.2 After previous notification in text form, we shall be entitled to observe the progress of work hereunder and inform ourselves about the status of work at the Supplier's facilities during normal business hours. We shall also be entitled to have such right exerted by a third-party expert in accordance with the first sentence.
- 8.3 The Supplier shall be obligated to observe all pertinent statutory provisions, standards and directives applicable to any delivery also in the corresponding country of destination, including but not limited to the pertinent regulations in terms of environmental protection, hazardous materials, dangerous goods, fire prevention and accident prevention. Furthermore, the Supplier shall be bound to observe all pertinent national and international regulations with regard to any declarable substance, including but not limited to REACH, RoHS.
- 8.4 The Supplier shall not be entitled to award any delivery ordered by us, whether fully or in part, to any third party within the scope of a subcontract or upstream supplier agreement unless after an express prior consent has been granted in text form by us.
- 8.5 The Supplier shall not be entitled to publish our corporate name on the Supplier's customer reference list unless with an express prior consent granted in writing by us.

## **9. Product warranty – indemnity - liability insurance cover**

- 9.1 Where the supplier is responsible for any product damage, the supplier shall be obligated to indemnify us against any third-party damage claim upon first demand to the extent such claim is caused within the supplier's scope of control and organisation, and where the supplier is liable itself in relation to third parties.
- 9.2 Within the scope of the Supplier's liability for any case of damage pursuant to item 9.1, the Supplier shall also be obligated to reimburse any expenditure

which is incurred for or in connection with any recall action made either by us or by our customer. As far as possible and reasonable, we shall notify the supplier of the contents and extent of any recall action to be conducted, and provide an opportunity for the supplier to make a statement. Other statutory claims shall remain unaffected.

- 9.3 The Supplier shall agree to keep up a product liability insurance providing for an adequate amount of coverage of not less than € 10 million to cover personal injury/property damage on a lump-sum basis; any further damage claim to which we may be entitled shall remain unaffected. Upon request, the Supplier shall provide evidence for such insurance coverage without delay.

## **10. Industrial property rights**

- 10.1 The Supplier shall agree to ensure that no third-party right will be infringed in relation with the Supplier's delivery.
- 10.2 If a third party lodges any claim against us in this respect, the Supplier shall be obligated to indemnify us against any such claim upon the first written request; the foregoing shall not apply if such infringement of any third-party right is beyond the Supplier's control. In the event of such indemnity, we shall not be entitled to make any agreement with such third party, including but not limited to the conclusion of any compromise settlement, unless with the Supplier's consent.
- 10.3 The Supplier's indemnification duty shall relate to any expenditure, loss or damage which we incur necessarily due to or in relation with any claim lodged against us by a third party.
- 10.4 The period of prescription shall be thirty-six (36) months, starting upon the transfer of risk.

## **11. Reservation of title – provision of material – secrecy - subcontractors**

- 11.1 If any item provided by us is inseparably mixed with any other item(s) which do not belong to us, we shall acquire co-ownership in the new item at the ratio of the value of the item subject to retention of title (purchase price plus value-added tax) to the other mixed items at the time of mixing. If mixing is done in such a manner that the Supplier's item is to be considered the main item, it shall be deemed agreed that the Supplier assigns proportional co-ownership to us; the Supplier shall safeguard the sole ownership or co-ownership on our behalf.
- 11.2 Where our security rights, to which we are entitled under this Section, exceed the purchase price of all our as yet unpaid goods subject to retention of title by more than 10%, we shall be obligated to release the security rights at our option upon the Supplier's request.
- 11.3 Any tool, jig or model, which we make available to the Supplier, or which is manufactured for the purpose of the Agreement and invoiced by the Supplier to us on a separate basis, shall either remain our property or become our property. The supplier shall mark them as our property, keep them in safe custody, protect them from any damage whatsoever, and not use them unless for the

purpose of the contract. The Supplier shall also agree to perform any maintenance work required (corrective maintenance, preventive maintenance and care) on such tools, jigs and models under the Supplier's own responsibility and at the Supplier's expense. The Supplier shall agree to surrender these objects in a proper condition to us upon request; the Supplier shall have no retaining lien in any such object.

- 11.4 The Supplier shall agree to strictly maintain the secrecy of any illustrated matter, drawing, calculation, or any other document and information received from us and not to use such information for proper purposes; the same shall apply to all our trade and industrial secrets. No such information must be disclosed to any third party unless with our express consent. Such obligation of secrecy shall survive the termination of this agreement for five years; it shall expire before when and where the manufacturing know-how included in any such illustrated matter, drawing, calculation or other document transferred for use has become known to the general public.
- 11.5 The Supplier shall agree to treat as business secret or corporate secret any commercial or technical detail which concerns the Agreement concluded with us or is related to its performance. The Supplier shall also be bound to secrecy about the business relation with us. Any exception to the foregoing shall be subject to our prior consent in text form.
- 11.6 Both the Supplier and we shall be entitled to record and store the data of the corresponding other party including every single contract relation while having to observe the provisions of data privacy protection as applicable from time to time.
- 11.7 The Supplier shall not be entitled to have the service due to us performed by any third party (e.g., subcontractor) unless with our prior consent in text form. In the event that any such admissible subcontract is awarded, such third party shall be bound to observe secrecy in writing by the Supplier as defined in items 11.4 and 11.5 herein; the Supplier shall forward a copy of such non-disclosure agreement to us upon request.

## **12. Spare parts**

- 12.1 The Supplier shall be obligated to keep spare parts for the products delivered to us available in a sufficient quantity and supply us under competitive conditions for a period of not less than fifteen (15) years after the corresponding last delivery.
- 12.2 If the Supplier intends to discontinue the production of any spare part for any product delivered to us, the Supplier shall notify us about such circumstance in writing immediately after adopting the decision on such discontinuance. Without prejudice to item 12.1 above, such decision must be taken at least twelve (12) months before production is discontinued. Within such 12 months' period, we shall then be entitled to still place purchase orders regarding the spare parts with the Supplier and the Supplier shall be obligated to deliver the spare parts ordered to us under competitive conditions within a period of three weeks. Any

delivery as defined in Sections 12.1 and 12.2 shall also be subject exclusively to the provisions set forth in the present Terms and Conditions of Purchasing.

### **13. Minimum wage**

- 13.1 The Supplier shall agree to pay those of its employees, who are appointed for performing the deliveries ordered pursuant to the underlying contract, not less than the minimum wage as defined by the actual minimum wages act. The Supplier shall indemnify us against any claim alleged in the event that any infringement of the provisions set forth in the German minimum wages act is committed by the Supplier or by any of its subcontractors.
- 13.2 Notwithstanding any other right to terminate or rescind any contract or agreement, we shall be entitled to rescind or terminate the contract with immediate effect after prior setting of an appropriate deadline if the Supplier and/or any of the Supplier's subcontractors culpably infringe(s) upon any of the foregoing provisions or upon the actual valid minimum wages act. The Supplier shall agree to compensate any loss or damage incurred by us in consequence of such rescission or termination. Any claim of the Supplier for non-performance shall be excluded. In other respects, the consequences of rescission and termination shall be governed by the statutory provisions.
- 13.3 We shall, at any time, be entitled to require the Supplier to submit a written confirmation for the payment of the minimum wage, and require the Supplier to furnish suitable proof for verifying compliance with this Section 13, including but not limited to a minimum wage declaration from the Supplier's employees, confirmations issued by a tax consultant or a chartered accountant of the Supplier, etc. For this purpose the Supplier will provide us by an appropriate anonymous listing of staff containing the appointed employees, the performed working hours and the payed wage. Furthermore, the Supplier will provide us with a listing of further personnel (freelancer, trainees, helping family members etc.). We will keep confidential this information.

### **14. Conflict Minerals, Regulation (EU) 2017/821 and “Dodd-Frank-Act”**

The supplier is obliged to deliver the contractually performed deliveries in accordance with Regulation (EU) 2017/821 of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas and Section 1502 of the U.S. Federal Law “Dodd-Frank-Act”. The supplier is required in addition to identify the use of so-called “Conflict minerals” (tin, gold, tantalum, tungsten) in his supply chain and to ensure, by means of appropriate measures, that materials and components delivered to us do not contain any conflict minerals in accordance with Regulation (EU) 2017/821 of 17 May 2017 and Section 1502 of the U.S. Federal Law “Dodd-Frank-Act”. In case of violation of the aforementioned regulations, Regulation (EU) 2017/821 of 17 May and Section 1502 of the U.S. Federal Law “Dodd-Frank-Act”, the supplier explicitly releases us from any third party claims asserted against us on any legal grounds whatsoever and holds us harmless in this respect.

## **15. Regulation (EG) No. 1907/2006 (REACH Regulation)**

The supplier vouches that the supplier's deliveries adhere to the provisions of Regulation (EG) No. 1907/2006 (REACH Regulation) regarding the registration, evaluation, approval, and restriction of chemical substances. The substances contained in the supplier's products are pre-registered and/or registered after the end of the transitional period as required by the provisions of the REACH Regulation, unless the substance in question is exempted from the registration requirement. In accordance with the provisions of the REACH Regulation, the supplier shall provide us with the material safety data sheets, as well as the information required by Art. 32 and Art. 33 of the REACH Regulation, as soon as possible without being asked. Appendix XIV and XVII of the REACH Regulation are to be obeyed. If the supplier violates one of the obligations listed above, we have the right to immediately cancel the order in question and refuse to accept the delivery without incurring costs. Further claims for damages are explicitly reserved. In case of violation of one of the obligations listed above, the supplier explicitly releases us from any third party claims asserted against us on any legal grounds whatsoever and holds us harmless in this respect.

## **16. Adherence to further environmental law.**

The supplier is and remains solely responsible for the full compliance of delivered products or parts of delivered products with the requirements of Directive 2011/65/EU (RoHS II) as of 08 June 2011, EU-Directives 2015/863 (RoHS III) as of 31 March 2015 and all further releases as well as all national regulations (ElektroStoffV) issued in execution of this Directive. Therefore all delivered products or parts of delivered products must be suitable and fit for RoHS compliant production. In case of proven violations of national or international RoHS Compliance regulations due to suppliers fault, supplier undertakes to exempt and hold us harmless from any claim, liability, loss, damage, judgement and external responsibility, irrespective their legal ground, and to bear any and all harm, loss or damage arising to our disadvantage in the event of infringement. Supplier undertakes to duly notify us about the earliest possible disposability of RoHS compliant products.

As far as delivered products or parts of delivered products cannot be supplied as traceable RoHS compliant we reserve cancellation of blanket or single purchase orders exempt from any charges, costs or expenses. Furthermore the supplier is obligated to fulfill further environmental regulations within the European Union as well as the environment law valid in the Federal Republic of Germany. This obligation applies in particular, but not limited to those regulatory issues, with regard to conformity with German ChemVerbotsV, BattG, German Packaging Regulation (VerpackV) as well as with European Ozon Regulation (EG Nr. 1005/2009), CLP-Regulation(EG Nr. 1272/2008) and POP- Regulation (EG Nr. 850/2004) in the respective current version. If the supplier infringes upon one of the aforementioned obligations, we are entitled at any time to cancel the respective purchase order immediately and to refuse the acceptance of the respective supply, without any costs and expenses resulting to us. Further damage claims remain explicitly reserved. In case of violation of one of the obligations listed above, the supplier

explicitly releases us from any third party claims asserted against us on any legal grounds whatsoever and holds us harmless in this respect

## **17. Place of jurisdiction – place of performance - Miscellaneous**

17.1 These Terms and Conditions of Purchasing and every legal relationship between us and the supplier shall be governed by the laws of the Federal Republic of Germany, excluding the UN Sales Convention.

17.2 If the Supplier is a merchant, a legal entity under public law or a special fund under public law, our place of business shall be the exclusive place of jurisdiction for any dispute which may arise in relation with the contractual relationship. But we shall also be entitled to bring action, at our option, at the place of performance applicable to the delivery commitment, or at the Supplier's place of business.

17.3 If one of these provisions shall be or become invalid the other provisions of these General Terms and Conditions of Purchase shall remain in force. The Parties will replace this invalid provision by a valid provision which comes closest to the economic intention of the Parties.