

GENERAL CONDITIONS OF PURCHASE of Sontheim Industrie Elektronik GmbH Status September 01, 2023

1. **Scope of application, recognition of the supplier's customary reservations of title**
 - 1.1 These General Terms and Conditions of Purchase shall apply exclusively to all orders placed by Sontheim Industrie Elektronik GmbH ("S-I-E"). Other terms and conditions of the supplier of any kind and form are hereby objected to insofar as their contents do not comply with these terms and conditions. These General Terms and Conditions of Purchase shall become an integral part of each and every contract between S-I-E and the Supplier.
 - 1.2 S-I-E agrees with a simple reservation of title, by means of which the Supplier reserves the title to a certain good delivered by him until full payment for this good.
2. **Form of orders**

Unless another form is agreed separately, orders and their amendments shall only be legally valid if they are placed in writing. Orders placed orally and amendments thereto shall only be effective if confirmed by us in writing.
3. **Handed over documents**

Documents, data and data carriers provided to the Supplier for the purpose of submitting an offer or executing a contract shall remain the full intellectual and physical property of S-I-E and may not be used for other purposes, reproduced or made accessible to third parties.

Products manufactured according to documents designed by S-I-E, such as drawings, models or the like, or according to S-I-E's confidential information or with S-I-E's tools or copied tools may not be manufactured by the supplier for his own purposes or for third parties or offered or delivered to them. This shall also apply mutatis mutandis to print orders of S-I-E.
4. **Payment**

Payment shall be made within 60 days strictly net without deduction.
5. **Assignment of receivables**

The assignment of claims against S-I-E shall only be effective with the prior written consent of S-I-E.
6. **Delivery and deviations from the delivery quantity**

Agreed dates and deadlines are binding. The receipt of the goods by S-I-E shall be decisive for compliance with the delivery date or delivery period. Unless expressly agreed otherwise, delivery shall be made DDP (INCOTERMS 2010) to the delivery address stated in the order of S-I-E.

If agreed delivery dates are not met, the statutory provisions shall apply. If the supplier foresees difficulties with regard to production, supply of input material, compliance with the delivery date or similar circumstances which could prevent him from delivering on time, the supplier shall inform the purchasing department of S-I-E without delay.

Quantities specified must be strictly adhered to. Under- and over-deliveries are only permitted with the express consent of S-I-E. Over- or under-deliveries without the prior consent of S-I-E may be rejected.
7. **Reduced incoming inspection; rebuke**

S-I-E shall only be obliged to carry out an incoming goods inspection within the meaning of § 377 HGB (German Commercial Code) with regard to the type of goods delivered, the quantity as well as with regard to obvious, externally recognizable transport and packaging damage. If, however, a defect is found, this must be reported by S-I-E immediately, at the latest, however, within 30 working days after discovery. This period shall also be deemed to have been complied with if S-I-E sends a registered letter on the last day of the period or notifies the Supplier of the defect in writing on this day, also by fax and/or by e-mail.
8. **Unlimited liability for vicarious agents**

If the supplier uses a third party (subcontractor) for the manufacture of the delivery item, the fault of this third party shall be attributed to it as if it were its own, irrespective of the type of contract existing between it and us (purchase contract, contract for work and materials, contract for work and services or similar).
9. **Determination of the nominal condition**

The agreed specifications of the products shall apply for the duration of the warranty period (clause 10.4 of these terms and conditions) as a guarantee of quality and durability within the meaning of § 443 BGB (German Civil Code).
10. **Liability for defects**
 - 10.1. **Treatment of concretely identified as defective parts**

If a delivered good/manufactured work ("Part") proves to be defective, S-I-E may set the Supplier a reasonable deadline within which the Supplier shall, at S-I-E's option, either deliver the Part subsequently or repair it. Insofar as necessary, he shall also dismantle the part for this purpose or subsequently re-install it. If he is not able to do so with reasonable effort or if this is not possible for other reasons, S-I-E shall carry this out for the supplier at the supplier's expense. If the Supplier either does not carry out the requested subsequent performance or does not carry it out in due time, or if two such attempts have failed - in the case of safety-critical defects S-I-E need only accept one attempt - S-I-E may either carry out the necessary measures itself or have them carried out by suitable third parties at the Supplier's expense. In this context, a defect shall always be considered safety-critical in the aforementioned sense if it poses the risk of not insignificant injury to persons or damage to property other than the delivery item itself.

Alternatively, S-I-E may also demand from the Supplier to reduce the price for such defective parts to a reasonable extent or to make them available to the Supplier for collection and to retain or reclaim the purchase price or, at the Supplier's request and expense, to dispose of them properly. S-I-E shall also be entitled to the same rights if the Supplier refuses subsequent performance or is obviously unable to do so or if the defect is minor, or if S-I-E cannot reasonably be expected to wait for subsequent performance due to the threat of unusually high damages.

In addition to the above rights, S-I-E may claim compensation from the Supplier for the damage resulting from the defective delivery, including costs incurred by S-I-E or its customers. In addition to any installation and removal costs, the costs to be reimbursed by the Supplier shall also include, among other things, the profit lost by S-I-E, recall costs and costs of interruption of production (including downtime), both at S-I-E and, insofar as these make use of S-I-E, at its customers. If S-I-E or its customers incur further costs as a result of defective deliveries of the subject matter of the contract, in particular transport, travel, labor, material

costs or costs for an incoming goods inspection exceeding the usual scope, the Supplier shall bear these costs. If the Supplier does not start to remedy the defect immediately after being requested to do so by S-I-E, S-I-E shall be entitled in urgent cases, in particular to avert acute dangers or to avoid major damage, to carry out the remedy itself or have it carried out by a third party at the Supplier's expense.

10.2. Treatment of a delivery in case of a merely partial quality check

10.2.1 *Voluntariness of samples; definition of the terms "sample" and "population"; treatment of the parts specifically studied*

Subject to the provision in Clause 7, S-I-E shall be liable with regard to the performance of quality controls (at goods receipt processing or at the time of goods issue) shall be entirely at the Supplier's discretion. If S-I-E carries out such tests on a partial quantity ("sample") randomly selected for this purpose from a certain delivery lot ("basic population"), the above provisions regarding clause 10.1 shall apply - without prejudice to the rights under clause 10.2.2 below - to any parts found to be defective. In contrast, S-I-E may (only) return the parts determined to be in order (against reimbursement of the purchase price) if the respective partial quantity is of no interest to S-I-E (e.g. due to insufficient volume).

10.2.2 *Treatment of the parts not specifically examined; inference from the sample to the "deficiency" of the population concerned.*

If even only one part within such a sample exhibits a safety-critical defect or if the defect rate of this sample exceeds a defect rate of 100 ppm due to other, non-safety-critical defects, the entire remainder of the population, which is not examined in detail, is considered to be "defective" overall, regardless of the specific defectiveness of individual parts. With regard to such an overall defective population, S-I-E shall be entitled to the rights listed in clause 10.1 with regard to all parts in a combination freely selectable by us irrespective of their concrete defectiveness; in particular, we may assert the rights for the entire population concerned. The extent of a possible reduction of the purchase price depends on the frequency of the defective parts to be expected according to the sample within the remaining population as well as the severity of the defects to be expected. Furthermore, in such cases S-I-E may additionally claim compensation for any sorting, fault-finding and testing costs incurred by S-I-E.

10.3. Non-exhaustive character of the foregoing regulations
Other legal claims of S-I-E in case of material defects and defects of title shall not be affected by the above provisions. In particular, S-I-E shall have the right, in addition to the above provisions, to demand compensation from the supplier for the damage and the costs which S-I-E as a result of a material or legal defect or are charged to S-I-E by a customer. S-I-E shall have the right to choose the type of rectification.

10.4. Statute of Limitations for Warranty Claims (warranty period)

Claims arising from liability for defects shall become statute-barred at the earliest 36 months after receipt of the parts by S-I-E. For subsequently delivered parts, the original liability period shall recommence upon delivery or reinstallation. For reworked parts, on the other hand, the following applies: In principle, the liability period ends with the expiry of the original liability period, but it is at least six months from the

above-mentioned date. However, for defects of the type because of which the rectification was carried out, the liability period shall also start anew in this case with the delivery/reinstallation.

11. Damage minimization through defense against the Third party claims

If a claim for damages is asserted against us by one of our customers, which is based on or justified by the fact that the parts purchased from us by the supplier - whether installed or not - were defective, we shall not be obliged in relation to the supplier to assert the objection under § 377 of the German Commercial Code (HGB) (lack of complaint) or the defense of the statute of limitations against our customers within the scope of minimizing the damage, as long as a complaint has been made at all within 2 weeks after the occurrence of the damage and the occurrence of the statute of limitations does not date back more than 3 months. If our customer is a company which was responsible for 20% or more of our sales in the relevant product area in the previous calendar year, we shall not be obliged to assert this defense even if the above-mentioned conditions are not met, as long as only a refusal to compensate the asserted damage would seriously jeopardize the business relationship with the customer.

12. Export control and customs

The supplier is obliged to inform S-I-E in writing about any licensing or notification obligations in case of (re-)exports of its parts in accordance with the respective relevant export and customs regulations of the recipient country, the country of origin of its parts and additionally those of all other EU countries and the USA. For this purpose, the Supplier shall provide the following information at least in its offers, order confirmations and invoices for the relevant goods dispositions:

- The export list number according to Annex AL of the German Foreign Trade and Payments Regulation (only applicable to suppliers from Germany) or comparable list items of relevant export lists of the respective law applicable to the supplier,
- For US parts the ECCN (Export Control Classification Number) according to US Export Administration Regulation (EAR),
- The trade origin of its parts and components of its parts, including technology and software,
- Whether the parts were transported through the U.S., manufactured or stored in the U.S., or manufactured using U.S. technology,
- The statistical goods number (HS code) of its goods, as well as
- A contact person in his company to clarify any queries from S-I-E.

At the request of S-I-E, the Supplier shall be obliged to notify S-I-E in writing of all further foreign trade data relating to its parts and their components and to inform us without delay (prior to delivery of corresponding goods affected thereby) of all changes to the above data.

13. Force majeure

Force majeure, labor disputes, operational disruptions through no fault of S-I-E, riots, official measures; pandemics and other unavoidable events shall release S-I-E from the obligation to accept the goods in due time for the duration of their occurrence. Should such events last for a not insignificant period of time and lead to the fact that the demand of S-I-E is reduced - also due to a meanwhile necessary procurement elsewhere - S-I-E shall be entitled - without prejudice to our other rights - to withdraw from the

contract in whole or in part until the expiry of 1 month after the end of the event.

14. Corporate compliance

The supplier acknowledges the General Business Principles of S-I-E and shall conduct itself in accordance with these principles within the scope of the supply relationship with us. Furthermore, he shall conduct his business exclusively in accordance with the relevant laws and, in particular, comply with the applicable anti-corruption laws as well as antitrust and competition law provisions and shall neither directly nor indirectly violate them.

15. Compliance with EU regulations

The supplier is obligated to comply with the requirements and obligations of the REACH Regulation of the EC (Regulation (EC) No. 1907/2006 of 18.12.2006) and the ROHS Directive (2011/65/EU) (incl. Directive 2015/863) in their respective applicable version (including the respective amendments and supplements to these legal acts and, if made, their transformation/implementation into national law by the member states of the EU) for each individual product in every respect. Upon our corresponding request, the supplier shall issue corresponding written product-specific declarations of conformity, which shall also apply to the customers of S-I-E and can be passed on to them.

16. Final provisions

16.1. Place of performance

The place of performance for all obligations shall be the place of receipt designated by S-I-E; if the place of receipt is not designated, the place of performance shall be the location of S-I-E in Kempten im Allgäu / Germany.

16.2. Effectiveness of individual conditions

Should one of these terms and conditions and the further agreements made be or become invalid, the validity of the remaining terms and conditions shall not be affected. The contracting parties shall be obliged to replace the invalid provision with a provision that comes as close as possible to it in terms of economic success.

16.3. Applicable law/court of jurisdiction/arbitration court

16.3.1 Basic regulation including all suppliers based within EU / EEA / EFTA

Orders placed with suppliers based in Germany or a state of the EU, the EEA or the EFTA shall be governed exclusively

by German law, to the exclusion of the UN Convention on Contracts for the International Sale of Goods and international private law. The exclusive place of jurisdiction for all disputes arising from or in connection with such orders and the deliveries based thereon shall be the state courts having jurisdiction for Kempten im Allgäu / Germany. S-I-E shall alternatively be entitled to sue the Supplier at the court of its registered office or branch office or at the place of jurisdiction of the place of performance, at S-I-E's discretion.

16.3.2. Suppliers located outside EU / EEA / EFTA (with the exception of Chinese suppliers).

Orders placed with Suppliers located in a state of the EU, EEA or EFTA and outside the PRC shall be governed exclusively by German law, excluding the UN Convention on Contracts for the International Sale of Goods and private international law. Any disputes arising out of or in connection with such orders and the deliveries based thereon shall be decided exclusively and finally in accordance with the then valid Rules of Arbitration of the International Chamber of Commerce (ICC) by one or three arbitrators appointed in accordance with the above Rules of Arbitration. The place of arbitration shall be Munich / Germany. The arbitration proceedings shall be conducted in English. S-I-E shall alternatively be entitled to sue the Supplier at the court of its registered office or branch office or at the place of jurisdiction of the place of performance, at S-I-E's discretion.

16.3.3 Chinese suppliers

Orders placed with suppliers located in the People's Republic of China shall be governed exclusively by German law, to the exclusion of the UN Convention on Contracts for the International Sale of Goods and private international law. All disputes arising out of or in connection with such orders and/or the related deliveries shall be exclusively and finally settled by the Beijing branch of the China International Economic and Trade Arbitration Commission ("CIETAC") in accordance with the CIETAC rules then in force. The arbitration award shall be final, binding on the parties and not subject to appeal. The arbitration proceedings shall be conducted in English. Geltungsumfang, Anerkennung handelsüblicher Eigentumsvorbehalte des Lieferers