

General Terms and Conditions of Purchasing of CATENSYS Group

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I. Application of these General Terms and Conditions of Purchase

1. These General Terms and Conditions of Purchase apply to all our business relations with our suppliers with regard to our purchase of products (goods and/or services). However, they shall only apply if the supplier is an entrepreneur within the meaning of Section 14 of the German Civil Code (BGB), a legal entity under public law or a special fund under public law.
2. These General Terms and Conditions of Purchase shall apply exclusively. Conflicting, deviating or supplementary terms and conditions of the supplier shall not be included in the contract. This shall also apply if we unconditionally accept services, make payments or directly or indirectly refer to letters or the like containing the supplier's or third party's terms and conditions with knowledge of such supplier's or third party's terms and conditions.
3. These General Terms and Conditions of Purchase, as amended from time to time, shall also apply as a framework agreement to future offers and contracts for the purchase of products (deliveries and/or services) from the same supplier without us having to refer to them again in each individual case; we shall inform the supplier immediately of any changes to our General Terms and Conditions of Purchase in this case.

II. Conclusion of contract and contract amendments

1. The individual contract on the delivery of goods or services as well as any amendments, ancillary agreements, declarations on its termination as well as other declarations and notifications require text form (§ 126b of the German Civil Code [BGB]), unless otherwise stipulated in these terms and conditions.
2. If the supplier does not accept an order within two (2) weeks of receipt, we shall be entitled to revoke it at any time.
3. In the case of deliveries of goods, the relevant quality assurance agreement, the logistics guideline, the guideline for origin of goods and preferences as well as the shipping and transport regulations of the Catensys Group in their respective version valid at the time of conclusion of the contract are an integral part of this contract. The documents are available to the supplier by us on request.

III. Offers / Scope of delivery and services / Changes to the scope of delivery / Spare parts / Subcontractors

1. The supplier shall ensure that it is aware in good time of all data and circumstances of significance for the fulfilment of its contractual obligations and of our intended use of its deliveries.
2. Offers are free of charge for us. The supplier shall be responsible for checking the local conditions in detail before submitting an offer and, if necessary, for obtaining clarification by inspecting documents on the performance of the services and compliance with technical and other regulations. The supplier must check any documents handed over to it, also with regard to the local conditions, for correctness, feasibility and, if necessary, the execution of preliminary work by third parties. The supplier shall immediately notify us in text form (§ 126b of the German Civil Code [BGB]) of any reservations, stating the reasons, and shall bring about an agreement with us on the continuation of the work.
3. We may demand changes to the design and execution of the delivery item from the supplier within the scope of reasonableness. The supplier shall implement the changes within a reasonable period of time. Reasonable arrangements shall be made by mutual agreement regarding the effects, in particular with regard to the additional or reduced costs as well as the delivery dates. If no agreement is reached within a reasonable period of time, we may demand implementation and assign the decision on costs and delivery dates to an expert to be appointed as an arbitrator (*Schiedsgutachter*) by the President of the Chamber of Industry and Commerce responsible for us. We and the supplier shall each bear half of the costs of the corresponding arbitration expert opinion (*Schiedsgutachten*).
4. The supplier shall ensure that it can also supply us with the delivery items or parts thereof as spare parts on reasonable terms for a period of 15 (fifteen) years after termination of the supply relationship.
5. The supplier may only subcontract tasks incumbent upon the supplier with our prior written consent.

IV. Prices / Terms of payment / Prohibition of assignment and set-off

1. The agreed prices are fixed prices. The terms of payment shall be agreed separately between the supplier and us.
2. Invoices shall be submitted stating the order number, order item, account assignment, unloading point, supplier number, part number, number of items and unit price as well as quantity per delivery. At our request, the supplier shall be obliged to submit invoices exclusively in electronic form via a platform for the exchange of invoice data to be notified by us and to comply with the formal requirements notified by us in this respect.
3. The supplier agrees to participate in a credit note procedure at our request.

4. The supplier is not entitled to assign claims against us or grant a third party the right to collect such claims in its own name (*Einziehungsermächtigung*) without our prior written consent. Should the supplier assign claims or grant a third party the right to collect such claims in its own name (*Einziehungsermächtigung*) without our consent, we shall still be entitled to make payments to the supplier with discharging effect.
5. The supplier shall only be entitled to set off and/or assert a right of retention against a claim to which we are entitled under the contract ("main claim") to the extent that its counterclaim used for this purpose (a) is either undisputed or has been finally determined in a title against which an appeal is not (no longer) permitted or (b) in the case of procedural assertion, is ready for decision at the time of the last oral hearing or (c) is in a reciprocal relationship (synallagma) to the main claim.

V. Delivery conditions / official approvals / export control

1. Deliveries shall be made DAP (Incoterms 2020) including packaging and preservation to the place designated by us, unless otherwise agreed in individual cases. Each consignment shall be notified to us and to the recipient designated by us on the day of dispatch. Each delivery shall be accompanied by a delivery note in duplicate. The delivery note shall be provided with our order number as well as the supplier and article number(s). Agreed dates and deadlines are binding. The supplier must notify us immediately in text form (§ 126b of the German Civil Code [BGB]) of any recognisable delay in its performance, stating the reasons and the expected duration of the delay. The supplier may only invoke causes of a delay for which it is not responsible if it has complied with the aforementioned duty of notification.
2. The supplier shall inform us of the necessary official permits and notification requirements for the import and use of the delivery items.
3. The supplier is obliged to comply with export control laws and regulations of the EU, the USA or other export control regulations as applicable. The supplier is obliged to obtain any necessary approvals prior to the transfer of technical information or items to us and to notify us, without being requested to do so, of the respective export control classification number for such technical information and goods (e.g. US law: ECCN) and any restrictions on their transfer. The supplier undertakes to provide us with all information required for compliance with such regulations in individual cases. We are entitled to terminate contracts with the supplier without notice if changes in applicable national or international export control laws and regulations or our internal regulations based thereon make acceptance of the contractual services or the fulfilment of obligations arising from the contract impossible and do not make such acceptance appear possible in the foreseeable future.

VI. Acceptance of work services

1. The acceptance (*Abnahme*) of work performances shall take place after completion of the work formally by us by countersignature on an acceptance protocol. In the case of services which can no longer be inspected and examined at a later date due to the further execution, the supplier shall request us in writing in good time to carry out the inspection.

A fiction of acceptance by payment or by actual commissioning (*Inbetriebnahme*) is excluded.

2. The supplier shall arrange for officially prescribed acceptances of any kind, in particular acceptances by recognised experts, at its own expense prior to acceptance of the work performance, unless this is expressly excluded from the scope of performance. Official certificates of freedom from defects and any official acceptances shall be forwarded to us in good time before acceptance of the work performance.

VII. Secrecy / Information

1. The supplier shall keep secret the information provided by us, such as drawings, documents, findings, samples, means of production, models, data carriers, etc., shall not make them accessible to third parties (including sub-suppliers) without our written consent and shall not use them for purposes other than those determined by us. This shall apply accordingly to reproductions. This obligation shall not apply insofar as information (a) was already known to the supplier in a justified manner without an obligation to maintain secrecy upon receipt or (b) subsequently becomes known to the supplier in a justified manner without an obligation to maintain secrecy or (c) - without a breach of contract by one of the parties - is or becomes generally known, or insofar as the supplier has been granted permission in writing to use it for other purposes. The supplier may not advertise its business relationship with us without our prior written consent.
2. We retain ownership and all other rights (e.g. copyrights) to the information provided by us. Reproductions may only be made with our prior written consent. The reproductions shall become our property upon their production. It is hereby agreed between the supplier and us that the supplier shall keep the reproductions for us. The supplier shall carefully store, maintain and insure the documents and objects made available to him as well as reproductions thereof at his own expense and shall surrender or destroy them at any time upon our request. He shall not be entitled to a right of retention, irrespective of the reason. The complete return or destruction shall be confirmed in writing by the supplier.
3. In the event of a breach of any of the obligations under Clause VII. 1., a contractual penalty of 25,000 (twenty-five thousand) Euros shall be due immediately for each individual case of culpable breach. The supplier reserves the right to have the appropriateness of the amount of the contractual penalty reviewed by the courts. Any contractual penalties paid shall be offset against claims for damages.

VIII. Quality management

The supplier shall constantly monitor the quality of its performance. Prior to the respective delivery of the delivery items, the supplier shall ensure that the delivery items intended for delivery are free of defects and comply with the agreed technical requirements and shall confirm this to us in writing.

IX. Liability for defects / Reimbursement of expenses / Warranty period / Indemnification

1. An incoming goods inspection is only carried out by us with regard to externally recognisable damage and externally recognisable deviations in identity and quantity. We shall give notice of such defects without delay. Furthermore, we shall give notice of defects as soon as they are detected in the ordinary course of business. The supplier waives the objection of delayed notification of defects insofar as we have complied with the aforementioned requirements.
2. If the delivery item is defective, our claims shall be governed by the statutory provisions unless otherwise provided for in the following stipulations. If the operational safety is endangered or if there is a risk of unusually high damages (e.g. due to imminent claims for damages by our customers), we may, after informing the supplier, carry out the rectification (*Nachbesserung*) ourselves or have it carried out by third parties if a rectification by the supplier is unlikely to be possible in time to avert the respective risk. The supplier shall bear any necessary costs arising from this.
3. If the supplier makes use of third parties for the performance of the service, in particular if he does not manufacture the delivery items himself but obtains them from third parties, he shall be liable for them as for vicarious agents (*Erfüllungsgehilfen*).
4. Unless a longer limitation period is stipulated by law, the supplier shall be liable for defects that occur within 36 (thirty-six) months from receipt of the delivery by us or from acceptance (*Abnahme*) (if such acceptance is stipulated by law or contract). In the event of subsequent performance (*Nacherfüllung*), the period shall be extended by the time during which the delivery item cannot be used in accordance with the contract. The same time limits shall apply to subsequent performance. The limitation of claims due to defects shall occur at the earliest two (2) months after the claims of our customer have been fulfilled, but at the latest five (5) years after delivery to us, unless a longer limitation period is stipulated by law.
5. In the event of defects of title (*Rechtsmängel*), the supplier shall indemnify us against any existing claims of third parties, unless it is not responsible for the defect of title. The supplier shall indemnify us against claims by third parties based on defective products if and to the extent that the damage was caused by a defect in the delivery item supplied by the supplier.

X. Compliance with safety and order regulations on our premises; prohibition of the use of our current or former employees

1. If the supplier or its auxiliary persons enter our premises, they shall comply with all safety and order regulations applicable there and announced by us in a suitable manner (e.g. by notice) and shall follow the instructions of our personnel (in particular our works security) in this respect.
2. The supplier is prohibited from using persons who are employed by us or have been employed by us during the last six (6) months to perform its contractual obligations without our prior written consent.

XI. Provisions (*Beistellungen*)

Materials, parts, containers, special packaging, tools, measuring equipment or similar (provisions) provided by us shall remain our property. In the event of processing, combining or mixing of provisions, we shall receive co-ownership of the new product in the ratio of the value of the provisions to the value of the overall product. The supplier shall not be entitled to a right of retention, irrespective of the reason, in respect of the provisions.

XII. Tools and moulds

Notwithstanding any other agreements, we shall receive full or co-ownership of tools and moulds (*Werkzeuge*) for the manufacture of the delivery item to the extent that we contribute to the proven costs of such tools and moulds. The tools and moulds shall become our (co-)property upon payment. They remain on loan with the supplier. The supplier is only authorised to actually or legally dispose of the tools and moulds, to relocate them or to render them permanently inoperable with our approval. The tools and moulds shall be marked by the supplier as our (co-)property. The supplier shall bear the costs for the maintenance, repair and replacement of the tools and moulds. Replacement tools and moulds shall be our property in proportion to our share in the original tool or mould. In the event of co-ownership of a tool or mould, we shall have a right of first refusal (*Vorkaufsrecht*) to the supplier's co-ownership share. The supplier shall use tools and moulds which are (co-)owned by us exclusively for the production of the delivery items. Upon termination of the delivery, the supplier shall immediately return the tools and moulds to us upon request. In the case of tools and moulds in co-ownership, we shall reimburse the supplier for the current value of the supplier's co-ownership share after receipt of the tool or mould. The supplier shall not be entitled to a right of retention under any circumstances. The obligation to surrender shall also apply to the supplier in the event of a longer-term (i.e. more than six months) interruption of the supply if no further supply has been agreed at this time. The supplier shall insure the tools and moulds to the agreed extent or, if no agreement has been made, to the usual extent.

XIII. Software

Insofar as the scope of delivery includes non-standard software, the supplier agrees for a period of five (5) years from delivery of the delivery item to make changes/improvements to the software according to our specifications against reasonable reimbursement of costs. Insofar as the software originates from upstream suppliers, the supplier shall oblige them accordingly. Statutory or contractually agreed update obligations remain unaffected.

XIV. Longer-term delivery hindrances

In the event of a longer-term hindrance to delivery or a significant impairment of the supplier's financial situation, we are entitled to withdraw from the contract with regard to the part not yet fulfilled. If the supplier is affected by one of the above events, it shall support us to the best of its ability in relocating the production of the delivery item to us or to a third party, including a licensing of industrial property rights necessary for the production at conditions customary in the industry.

XV. Sustainability in the supply chain

1. The supplier is obliged to comply with the Ten Principles of the UN Global Compact (which can be viewed at <https://www.unglobalcompact.org/what-is-gc/mission/principles/>) as well as the Catensys Group Corporate Supplier Code of Conduct, which can be viewed at request or will be sent to the supplier upon request, both with regard to its own business operations and with regard to the sub-suppliers directly used by it for the performance of services, and to take preventive measures in order to avoid (i) a violation of the aforementioned Ten Principles of the UN Global Compact, of the aforementioned Catensys Group Corporate Supplier Code of Conduct and of human rights in general, (ii) a violation of occupational health and safety regulations or (iii) a violation of environmental protection regulations in accordance with the respective applicable statutory provisions by the supplier itself or by its sub-suppliers and to identify violations or threatened violations. Upon our request, the supplier shall provide us with written information on the preventive measures taken.
2. We are entitled to audit the preventive measures taken by the supplier in accordance with clause XV. 1. and the compliance with all other requirements set forth in that clause at least once a year during normal business hours and after prior notification in good time, or to have them checked by third parties. The supplier shall take suitable measures to ensure that, in the event of justified suspicion of a violation of the Ten Principles of the UN Global Compact, of the Catensys Group Corporate Supplier Code of Conduct, of human rights or of the statutory provisions on occupational health and safety and environmental protection mentioned in section XV. 1. by the supplier's direct sub-suppliers, we can audit the preventive measures taken at these direct sub-suppliers (i.e. sub-suppliers with whom the supplier maintains a direct contractual relationship) or have them audited by third parties. The supplier shall also work towards ensuring that, in justified cases of suspicion, an audit or review of preventive measures is also made possible at indirect sub-suppliers (i.e. sub-suppliers with whom the supplier does not maintain a direct contractual relationship). Such audits and reviews do not release the supplier from its obligations under this provision.
3. If there is a violation of the Ten Principles of the UN Global Compact, of the Catensys Group Corporate Supplier Code of Conduct or a violation of human rights or of the statutory provisions on occupational health and safety and environmental protection mentioned in clause XV. 1. by sub-suppliers used directly or indirectly by the supplier, the supplier shall immediately work towards the adoption of suitable remedial measures, review the effectiveness of these remedial measures and inform us of the violations and the remedial measures taken. Our right to extraordinary termination remains unaffected.
4. The supplier shall ensure that its employees participate in suitable training on human rights, occupational health and safety and environmental topics at regular intervals, but at least once per financial year. Upon request, the supplier shall provide us with evidence of the establishment and implementation of a training concept at the supplier.

XVI. Compliance

1. The supplier undertakes not to commit any acts or omissions which, irrespective of the form of participation, may lead to prosecution under regulatory or criminal law, in particular for corruption or infringement of anti-trust and competition law, of the supplier, of persons employed by the supplier or of third parties commissioned by the supplier (hereinafter referred to as "infringement of the law" or "infringements of the law"). The Supplier is responsible for taking the appropriate measures to avoid infringements of the law. To this end, the Supplier shall in particular oblige the persons employed by it or third parties commissioned by it accordingly and train them comprehensively with regard to the avoidance of infringements of the law.
2. The supplier undertakes to provide us with information on the aforementioned measures at our written request, in particular on their content and implementation status. For this purpose, the supplier shall fully and truthfully answer a questionnaire provided by us for the purpose of self-disclosure and provide us with related documents.
3. The supplier shall inform us immediately of any infringement of the law or of the initiation of official investigation proceedings due to a suspected infringement of the law. Furthermore, in the event of indications of an infringement of the law by the supplier, we shall be entitled to demand information in writing about the infringement of the law and the measures taken to remedy it and avoid it in the future.
4. In the event of a breach of any of the aforementioned provisions, we shall be entitled to demand that the supplier immediately cease and desist and reimburse all damages incurred by us as a result of the breach and / or to terminate the individual agreements in writing without observing a notice period for good cause. The supplier shall indemnify us in full against all claims by third parties and liabilities to third parties which we incur as a result of a culpable breach of one of the aforementioned obligations on the part of the supplier, its sub-suppliers or the subcontractors used in each case.
5. In the event of a culpable violation of antitrust law in the form of core restrictions (*Kernbeschränkungen*), i.e. in the event of price, submission, quantity, quota, territory or customer agreements (*Absprachen*) by the supplier, the supplier shall owe us at least damages in the amount of 15% of the net turnover which was transacted with us with products or services of the supplier affected by the cartel before we became aware of the violation. The supplier reserves the right to prove a lesser amount of damage or the non-existence of damage. We reserve the right to prove and assert higher damages as well as other contractual or statutory claims.
6. Furthermore, the supplier acknowledges also in this regard the Catensys Group Corporate Supplier Code of Conduct in the version valid at the time of the conclusion of the contract, will be sent to the supplier upon request, and assures that it has introduced and implemented the principles of responsible entrepreneurial action set out therein in its company. The supplier shall commit the sub-suppliers used within the scope of the contractual services in the same way. In the event of contradictions between the Code of Conduct and the provisions of these Terms and Conditions of Purchase, the provisions of these Terms and Conditions of Purchase shall take precedence.

XVII. Economic Independence

1. The Parties are completely autonomous and independent and are both independently managed. In particular, the supplier is committed to ensure a sufficient diversification of its clientele during the entire business relationship. In any case, the possible arising of a situation of economic dependence due to the performance of orders/contracts may not give rise to any claims on the part of the Supplier.
2. The Supplier shall officially inform us via registered letter with acknowledgement of receipt as soon as we make up more than 25% of his yearly turnover excluding VAT. The Supplier will regularly inform us of the evolution of this rate.

XVIII. General provisions

1. The place of performance for deliveries and services is the destination specified by us.
2. The contractual relationship shall be governed by German law with the exception of the conflict of laws provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG), the application of which is excluded. The exclusive place of jurisdiction for all disputes arising from or in connection with this contract shall be Erlangen, subject to a different exclusive place of jurisdiction. However, we are also entitled to sue the supplier at another court having jurisdiction by law.
3. Should any provision of these General Terms and Conditions of Purchase be or become invalid, this shall not affect the validity of the other provisions. The parties are obliged, within the bounds of reasonableness and in good faith, to replace ineffective provisions with effective provisions which are as similar as possible in terms of the economic result.