

TERMS OF PURCHASE OF VHF CAMFACTURE AG



1. Validity | Defense clause

- a. In the absence of any deviating agreements in individual cases, the following terms and conditions shall apply exclusively to all our orders, including future orders of the same type, without our having to refer to them in each individual case. Any deviating, conflicting or additional terms and conditions of the supplier shall only become part of the contract if we have expressly agreed to the validity of such in writing. The unconditional acceptance of deliveries does not constitute consent. Individual agreements concluded in specific cases shall take precedence over our Terms and Conditions if they have been issued in writing or confirmed by us in writing.
- b. References to the applicability of statutory provisions are for clarification purposes only. Even in the absence of such clarification, the statutory provisions shall therefore apply unless they are directly amended or expressly excluded in these Terms of Purchase.

2. Delivery item | Quality requirements

- a. The content, type and scope of the delivery shall be determined by our written order and, where applicable, the specifications and production documents (drawings, samples, etc.) provided by us or the specifications and production documents provided by the supplier and confirmed by us in writing. The supplier's obligation to check all order and other contractual documents for completeness, correctness and suitability for the intended purpose and to notify us immediately in writing of any discrepancies/errors and the supplier's own responsibility for the execution remain unaffected by the above.
- b. Full documentation (e.g. preferential supplier declaration, operating and maintenance instructions) shall be submitted with the delivery items.
- c. Acceptance is required if delivery items are manufactured in accordance with our specifications, even if this is not expressly agreed. Acceptance shall take place after a functional test has demonstrated that the services are free from defects or at least, exhibit minor defects. A record of the acceptance shall be created and signed by both parties.
- d. In the case of contracts that have not been performed in full (in particular call-off contracts), the supplier shall implement changes to the delivery item at our request, provided such changes are not unreasonable. The supplier may, on justifiable grounds, request adjustments to costs and delivery times in accordance with the costs and delivery times originally agreed.
- e. If the supplier provides services on our premises, the supplier shall comply with our relevant regulations (e.g. house rules, safety regulations), which we shall make available to the supplier on request. The storage of materials for services may only be undertaken after prior consultation with us; the workplaces must be maintained in a safe and risk-free condition at all times and left clean and tidy at the end of each working day.
- f. If the delivery item consists wholly or partly of software, the supplier shall grant us a non-exclusive, transferable and irrevocable right of use

to the software which is not limited in time and place. In principle, we are entitled to reproduce the software - insofar as this is necessary for use under the contract. The supplier shall provide documentation in German that can be printed out. We may require the supplier to conclude a standard maintenance contract and to deposit the source code (e.g. with TÜV Süd (technical inspection association) with the cost borne by vhf.

- g. The supplier shall name its upstream suppliers to us upon request. We may reject an upstream supplier for good cause and will coordinate with the supplier should this result in delays or changes in costs.
- h. The supplier shall guarantee to supply us with replacement and spare parts of the delivery items at market prices for a minimum period of 10 years after delivery. The supplier shall notify us if it intends to discontinue the production of such spare and replacement parts, without prejudice to its obligation pursuant to sentence 1, at least three months prior to the discontinuation of production.
- i. The supplier may not commission a third party (e.g. subcontractors) to provide the service for which they are contracted without our prior written consent. The supplier shall bear the procurement risk for its services, unless it is a one-off production.
- j. All the delivery items must be manufactured with materials and tools that are optimally suited for such manufacture, in perfect condition and which comply with the technical specifications stipulated by us and the applicable ISO standards, EU and German standards, statutory regulations (in particular in the Product Safety Act [Produktsicherheitsgesetz]), trade association guidelines, etc. These comprise the quality standard of the delivery item, even without an express agreement of such standard. The supplier shall, at its own responsibility, comply with, inter alia, the requirements of Regulation (EC) No. 1907/2006 (hereinafter the REACH Regulation) and EC Directive 2011/65/EU (hereinafter the RoHS Directive) in the version applicable at the date of delivery and to comply with all requirements relevant to the supplier and the goods. In particular, the substances contained in the goods will be preregistered or registered, insofar as this is required under the provisions of the REACH Regulation. The supplier shall provide us with safety data sheets and other information that is required in accordance with the Regulation without being requested to do so. Prior to a delivery and without being requested to do so, the supplier must also notify us if the goods or packaging contain a substance of very high concern (SVHC) on the candidate list in a mass concentration of over 0.1%. The supplier warrants that all the goods or parts supplied by it comply without restriction with the requirements of the RoHS Directive as periodically amended and with the national regulations issued within the EU, and are suitable for RoHS-compliant manufacturing processes. The supplier warrants that all the goods or parts supplied by it comply without restriction with the regulations of the Environmental Protection Agency (EPA) of the United States of America and meet the requirements and substance restrictions of the Toxic Substances Control Act (TSCA) in the current version.

The supplier shall indemnify us from any liability in connection with the supplier's non-compliance with the above regulations or will compensate us for damages arising from or relating to the supplier's culpable non-compliance with the regulations.

- k. If the supplier is only an intermediary for goods, he is obliged to inspect the goods for defects before handing them over to us.
- l. The supplier shall inform us prior to any changes in its production processes, the production site, the material used and the upstream suppliers, unless the supplier can assume, based on a meticulous examination and analysis, that any influence on the quality or condition of the delivery items for our intended use can be discernibly excluded.

3. Delivery time

- a. The supplier shall immediately notify us in writing if, for whatever reason, it is unlikely to be able to fulfill the agreed delivery times. If the supplier is in default, we will exercise our statutory claims and rights.
- b. Furthermore, a delay in delivery shall entitle us to demand a contractual penalty of 1% of the net price of the entire order for each full week beyond the delivery time, but not exceeding 5% of the net price of the entire order. This shall apply mutatis mutandis if there is a delay in partial deliveries. Claims for damages shall remain unaffected. A contractual penalty paid shall be offset against a claim for damages. If we accept the delayed performance, we shall claim the contractual penalty no later than with the final payment.

4. Shipping | Acceptance

- a. Delivery shall be made DDP Incoterms 2020, Lettenstraße 10, D-72119 Ammerbuch, unless otherwise specified in the order. Returns will be shipped at the risk and expense of the supplier. The supplier shall be liable for compliance with the shipping instructions specified.
- b. The supplier will use environmentally friendly packaging as far as possible. The supplier shall, at our request, take back packaging free of charge for us from the agreed place of receipt.
- c. In the case of machines and technical equipment and in the event of an agreed functional test/acceptance, the risk shall not be transferred to us until we have confirmed in writing that the functional test/acceptance has been completed with no further malfunctions.
- d. The supplier shall enclose a delivery note with each delivery, stating our order number, article number, quantity, place of delivery and the description of the goods, insofar as these are stated in our order. Otherwise, we shall be entitled to refuse acceptance with no claims arising on the part of the supplier. Any costs incurred hereby will be borne by the supplier.

5. Prices | Billing | Payment

- a. The price stated in the order shall be binding and shall be understood as a fixed price free works plus statutory VAT including all ancillary services and costs (e.g. assembly, installation,

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packaging, transport, transport insurance).

- b. If we are subject to significant changes in the market situation, or if we identify a significant drop in the market prices of our products, we and the supplier will negotiate a price adjustment. Should negotiations remain fruitless, we may terminate existing contracts (in particular framework agreements) and a period of notice will be set to take reasonable account of the interests of both parties. In this case, the supplier may only charge us for the costs actually incurred for material that cannot be used elsewhere. We shall also have a corresponding right of termination if the supplier's prices are above the market level or at least 3% above the prices of a comparable competitor and the supplier is unable to offer us more competitive prices within one month of our request to do so in writing.
- c. Invoices shall be submitted to us in duplicate with the delivery item in accordance with the statutory regulations, stating the number of the packaging, the number of packages and the number of pieces in the delivery. Our item number and the purchase order number must be indicated for each item on the invoice if such numbers are included in our purchase order. If the invoice refers to goods from different orders, it must be stated which order was executed with the delivery in each case.
- d. After receipt of the invoice and at our discretion, we shall pay within 14 days with a 2% discount applied, or within 30 days with no discount applied. We reserve the right to pay by check or bank transfer.
- e. We shall be entitled to rights of set-off and retention and the defense of non-performance of the contract to the extent provided by law; in particular, we may withhold any payments due for as long as we are entitled to claims against the supplier arising from incomplete or defective deliveries.

6. Inspection | Defects in the delivery item

- a. The statutory provisions shall apply to our rights in the event of material defects and defects of title of the goods (including incorrect delivery and short delivery, improper assembly, defective assembly, operation or operating instructions) and for other breaches of duty by the supplier, unless otherwise stipulated below.
- b. We shall inspect the delivery items after receipt as a standard business procedure on a random basis in the form of identification checks, approximate quantity checks and for recognizable transport damage and therefore fulfill our commercial obligation to inspect the goods. We shall notify the supplier of any visible defects within 15 working days. If further inspections are required owing to defects identified in the random sampling, the supplier shall reimburse us for any costs incurred.
- c. Should the supplier fail to meet its obligation to subsequent performance within a reasonable period set by us, either by remedying the defect or by subsequent delivery at our discretion, we shall be entitled to carry out the subsequent performance ourselves or to commission a third party to fulfill such performance and to demand reimbursement from the supplier of the costs incurred for this purpose or a corresponding advance payment. If subsequent performance by the supplier is fruitless or is unreasonable for

- us, no deadlines shall be set; we shall notify the supplier of such circumstances without delay.
- d. The costs of subsequent performance (§ 439 (2) BGB (German Civil Code)) shall also include costs incurred for inspecting for defects and sorting costs at our premises and those of our customers.
- e. The limitation period for our claims arising from a material defect is 2 years, and 4 years from delivery or acceptance if arising from a defect of title. Longer limitation periods arising from other claims that are not based on a defect of the delivery item itself shall remain unaffected. The statutory limitation period for claims in rem for the surrender of property shall also remain unaffected (§ 438 para 1 no. 1 BGB (German Civil Code)).
- f. We shall retain any defective parts of the delivery item until they are replaced; defective parts shall become the property of the supplier upon replacement.

7. Security rights | Provisions | Property rights

- a. We reserve the property rights and copyrights to illustrations, plans, drawings, calculations, execution instructions, product descriptions and other documents. Such documents shall be used exclusively to fulfill the contract, and shall be returned to us after the completion of the contract. The documents must not be disclosed to third parties, even after termination of the contract. The obligation to maintain secrecy shall only expire if and to the extent that the knowledge contained in the documents provided has become generally known.
- b. Tools, devices, models and other materials made available or otherwise provided by us to the supplier or delivered directly to the supplier on our behalf (collectively "Provisions") shall remain our property. They may not be sold, transferred by way of security, pledged, passed on or used for third parties or made accessible to third parties without our consent. Provisions shall be insured by the supplier against all the standard risks at its own expense and shall be stored as our property and separately from the same or similar items owned by third parties or the supplier. The supplier may only use the Provisions to fabricate our order and must return them to us immediately upon request. The supplier shall also impose such obligations on its vicarious agents.
- c. The supplier shall notify us immediately of any imminent seizure of the Provisions, of any other impairment of our rights and of any loss of or damage to the Provisions. The supplier is under an obligation to separate Provisions.
- d. Any processing, mixing or combining of Provisions by the supplier shall be carried out on our behalf. If, in the event of processing, mixing or combining with items of third parties, their ownership rights remain, we shall acquire co-ownership of the new item in the ratio of the value of our provision to the other items.
- e. If, in connection with the execution of the order, the supplier makes improvements to the Provisions, we shall have a free, non-exclusive right of use for our own exploitation of such improvements and any industrial property rights thereto.
- f. The reproduction of models, samples or other

- documents provided by us to the supplier or of those produced by the supplier in accordance with our specifications shall only be permissible to the extent necessary for the processing of the offer/execution of the delivery. Insofar as the supplier provides such documents to a upstream supplier, the supplier shall impose a corresponding written obligation on the upstream supplier before providing such documents and shall submit them to us upon request.
- g. Items manufactured in accordance with our specifications may not be offered/supplied to third parties without our consent; this obligation shall continue to exist even after the termination of the business relationship. Should improvements be made to the supplier's production documents based on our production documents, we shall have a free, non-exclusive right of use for our own exploitation even after this improvement and any industrial property rights thereto.
- h. We object to all forms of extended or prolonged retention of title, so that a retention of title applies only until payment has been made for the goods delivered to us and for these goods only.

8. Confidentiality

- a. The supplier shall treat all commercial and technical details which are not in the public domain and of which the supplier becomes aware as a result of the business relationship with us, as business secrets for as long as they do not become generally known. The supplier's vicarious agents (including employees) shall be subject to this obligation accordingly in writing, and the written obligations will be submitted to us upon request.
- b. The supplier may only refer to an existing business relationship with us for advertising purposes with our prior written consent.
- c. The publication of products manufactured on our behalf and in accordance of our specifications for the supplier's promotional purposes shall require our prior written consent.
- d. Unless already prohibited by copyright or other law, the supplier is not permitted to obtain trade secrets by observing, examining, dismantling or testing products or items we have provided to him.

9. Product liability

- a. If the supplier is liable for a product defect, it shall indemnify us against claims from third parties to the extent that the cause lies within its sphere of control and organization, and the supplier will be liable with respect to third parties.
- b. In this context, the supplier shall also reimburse us for any costs pursuant to §§ 683, 670 BGB (German Civil Code) arising from or in connection with a recall action carried out by us or our customer, insofar as we or our customer were forced to carry out the recall action or such action was reasonable. We will notify the supplier of the content and scope of the recall measures to be carried out, as far as possible and reasonable, and will allow the supplier the opportunity to comment.
- c. If claims are asserted against us by third parties within or outside Germany arising from a prod-

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uct defect for which the supplier is responsible, irrespective of fault, the supplier shall be liable to us accordingly. The same rules on the burden of proof shall apply to the relationship between us and the supplier as to the relationship between us and the third party.

- d. The supplier shall maintain product liability insurance with a coverage of a 10 million Euro lump sum per personal injury/property damage. The insurance certificates shall be submitted to us upon request. Our claims for compensation shall remain unaffected.

10. Human rights and environmental standards, minimum wage, data protection

We require the supplier to implement the appropriate measures to prevent or minimize human rights risks and environmental risks within the meaning of § 2 (2) and § 2 (3) of the Supply Chain Sourcing Obligations Act or to stop the violation of such obligations and to also address our requirements appropriately along its supply chain. Following an appropriate period of notice, we reserve the right to inspect compliance with the aforementioned requirements once annually or on an ad hoc basis, either ourselves or through third parties and, in so doing, may also enter the supplier's business premises and operating sites and inspect the relevant business documents. We will only use third parties for this purpose who are bound to an obligation of secrecy and will take into account the legitimate confidentiality interests of the supplier. We shall bear the costs of the inspection, unless we identify significant violations of the stipulations, in which case the supplier shall bear the costs of the inspection.

In particular, the supplier shall comply with all EU regulations on safety and environmental protection and the provisions of minimum wage legislation; the supplier shall indemnify us from claims by third parties based on the violation of minimum wage laws by the supplier or its upstream suppliers.

The supplier shall implement the appropriate measures to prevent criminal liability for fraud or breach of trust, criminal offenses against competition, the granting of benefits, bribery, venality or other corruption offenses by persons employed by the supplier or third parties.

The supplier shall ensure that, on the part of its suppliers and sub-suppliers that the goods delivered to us are free of "conflict" minerals (e.g. tantalum, tin, gold or tungsten) in accordance with the EU Conflict Minerals Regulation (EU 2017/821) and section 1502 of the U.S. Dodd-Frank Act.

The supplier shall comply with the relevant data protection provisions and shall require its employees to maintain integrity and confidentiality in accordance with the General Data Protection Regulation.

We reserve the right to terminate the business relationship with the supplier in the event of a breach of any obligation under this section. We shall first set the supplier a reasonable deadline for remedial action, unless specific reasons ex-

ist which justify immediate termination after weighing the interests of both parties.

11. Final provisions

- a. The agreed written form shall also be complied with by email and fax.
- b. The place of performance is our registered office. The place of jurisdiction for all disputes arising from and in connection with the contractual relationship shall be the competent court for our registered office; however, we also reserve the right to assert claims at the supplier's registered office.
- c. German law shall apply, including the UN Convention on Contracts for the International Sale of Goods (CISG).
- d. Should one or more of these Terms and Conditions be or become invalid, the validity of the remaining conditions shall be unaffected.

12. Language

These terms of purchase are issued in German and in English. In cases of doubt, the German wording shall prevail.

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