

1. Scope of Validity, Deviating Terms, Acknowledgment of Ordinary Retention of Title Clauses by the Supplier

- 1.1** These General Terms and Conditions of Purchase form an integral part of the agreement concluded between Diehl AKO Stiftung & Co. KG ("Diehl Controls"). Any deviations or conflicting terms and conditions shall only be valid if explicitly confirmed in writing by Diehl Controls. Where offers, order confirmations or other documents of the Supplier refer to the Supplier's own general terms and conditions, the application of such general terms and conditions is herewith rejected. Any deviating terms and conditions of the Supplier shall not apply even if Diehl Controls accepts a delivery without reservation in the knowledge of such terms and conditions. Where the Supplier does not agree with the above handling, it shall expressly state this in a separate letter without undue delay. In this case, Diehl Controls reserves the right to rescind the order.
- 1.2** These Terms and Conditions of Purchase shall be applicable to future business transactions with the same Supplier, even if no explicit reference is made to them in relation to further purchases.
- 1.3** Diehl Controls approves of a (simple) retention of title clause by way of which the Supplier reserves the ownership of specific goods delivered by it until complete payment of these goods.

2. Orders

- 2.1** Unless otherwise agreed upon, orders as well as alterations thereof shall only be legally effective if placed in writing / text form.
- 2.2** The Supplier shall be obliged to accept each order within a reasonable period of no more than one week by means of an order confirmation (with date, signature, company stamp and confirmation number if not agreed otherwise) making reference to the order in question. Any delayed acceptance shall be deemed to be a new offer and shall be subject to acceptance by Diehl Controls.
- 2.3** Diehl Controls shall be entitled to rescind the Contract at any time by written declaration stating the factual reason, if
- Diehl Controls is no longer able to use the ordered products in its business operations or can only use them with significant expenditure as a result of circumstances occurring after the conclusion of the Contract for which the Supplier is responsible (such as failure to comply with legal requirements), or
 - the Supplier's financial circumstances deteriorate to such an extent after the conclusion of the Contract, that delivery according to the Contract can no longer be expected.

3. Documents Provided, Confidentiality

- 3.1.** Documents, data and data carriers provided to the Supplier for the purpose of submitting an offer or for the execution of the Contract shall entirely remain the intellectual and physical property of Diehl Controls and must not be used for other purposes, copied or made available to any third party. Products manufactured on the basis of documents designed by Diehl Controls, like drawings, models and the like, or by means of confidential information provided by Diehl Controls, or by the use of tools or copies of such tools from Diehl Controls, must not be used by the Supplier for its own purposes nor be manufactured for, offered or delivered to any third party or otherwise be used for the Supplier's own purposes or for any third party.
- 3.2.** The Supplier shall be obliged to keep secret the contents of the order and all documents, data and data carriers and other information and documents provided to it (with the exception of publicly accessible information) for a period of five years after the date of delivery and to use them only for the execution of the order. The Supplier will return the aforementioned documents to

Diehl Controls immediately upon request. The confidentiality obligation shall only expire if and insofar as the knowledge contained in the provided documents has become generally known. Specific confidentiality agreements and legal regulations on the protection of confidential information shall remain unaffected.

4. Prices and Terms of Payment

- 4.1** The price stated in the order shall be binding. All prices include VAT, unless separately stated.
- 4.2** Unless otherwise expressly agreed, the price shall include all services and ancillary services of the Supplier (e.g. assembly, installation) as well as all ancillary costs (e.g. packaging, delivery, transport including any transport and liability insurance).
- 4.3** Unless otherwise expressly stipulated, payment of the agreed price shall be effected within 60 working days from the date of complete delivery and performance as well as receipt of a proper invoice.
- 4.4** Diehl Controls shall not be liable for any default interest. For delay in payment, the statutory provisions shall apply.
- 4.5** Diehl Controls shall be entitled to set-off and retention rights as well as the defense of non-performance of the Contract to the extent permitted by law. Diehl Controls shall in particular be entitled to withhold due payments as long as claims against the Supplier for incomplete or defective performance still exist.
- 4.6** The Supplier shall be entitled to set-off or retention rights only in the case of legally established or undisputed counterclaims.

5. Assignment of Claims

The assignment of claims against Diehl Controls shall only be valid subject to Diehl Controls' prior express written consent.

6. Delivery, Deviation from the Quantity Ordered, Default of Acceptance

- 6.1** Agreed delivery dates and periods are binding. The date of receipt of the goods by Diehl Controls shall be decisive for compliance with the delivery date or period. Unless otherwise expressly agreed, delivery shall be effected DDP (INCOTERMS 2020) to the delivery address indicated by Diehl Controls.
- 6.2** If the Supplier foresees difficulties with regard to the supply of primary materials, production or similar circumstances which may prevent it from timely delivery, the Supplier shall immediately notify the purchase department of Diehl Controls. Notwithstanding such notification, the statutory provisions shall apply in case of non-observance of agreed delivery dates.
- 6.3** Insofar as the latest possible day for delivery can be determined on the basis of the Contract, the Supplier shall be deemed to be in default at the end of that day without the necessity of a reminder on the part of Diehl Controls.
- 6.4** In the event of a delay in delivery, Diehl Controls shall be entitled to the statutory claims without restriction.
- 6.5** Following a delay in delivery, Diehl Controls shall be entitled, after prior written warning to the Supplier, to demand a contractual penalty of 0.5%, maximum 5% (depending on the severity of the breach) of the respective order value for each week of the delay in delivery. The contractual penalty shall be set off against the damages to be paid by the Supplier for the delay.
- 6.6** The ordered quantities have to be strictly adhered to. Deliveries going below and beyond the quantities ordered shall be permissible only if expressly approved by Diehl Controls. In the absence of such prior approval, the delivery of lower quantities and the excess part of deliveries going beyond the ordered quantity may be rejected.
- 6.7** A delivery note stating the date (issue and shipment), contents of delivery (article number and quantity) and Diehl Controls order identifier (date and number) must be enclosed with each delivery. Where the delivery note is missing or incomplete, Diehl Controls shall not be responsible for any resulting delays in processing and payment.
- 6.8** Without the prior consent of Diehl Controls, the Supplier shall not be entitled to have the performance owed by him rendered by

any third party (e.g. subcontractor). The Supplier shall bear any risk of procurement for his services, unless otherwise agreed in individual cases.

7. Reduced Incoming Inspection: Notification of Defects

Diehl Controls is only obligated to carry out an incoming inspection pursuant to Section 377 HGB (German Commercial Code) with respect to the type of the goods delivered, the quantity, as well as any obvious transport and packing damage visible on the outside of the goods or damage that is detectable during a quality check on a sampling basis. Notwithstanding Diehl Controls' duty to inspect, its complaint (notice of defect) shall in any case be deemed prompt and timely if it is made within eight working days from the discovery.

However, the deadline shall also be deemed to be met if Diehl Controls sends the written complaint on the last day of the deadline (when done by letter or registered letter, the postmark shall be decisive). Defects not identified within the framework of such an incoming inspection do not release the Supplier from its responsibility for hidden defects that become apparent only upon processing or later use of the goods. Hidden defects have to be reported by Diehl Controls within 8 working days from their discovery or from gaining knowledge thereof.

8. Unrestricted Liability for Vicarious Agents

The Supplier cannot invoke the fact not to have (completely) manufactured the delivery item itself but partially or entirely by availing itself of a third party, be it a third-party manufacturer, subcontractor or the like. In this case, fault on the part of such third party or - insofar and to the extent that such third party did not perform manufacture itself - the fault on the part of the manufacturer is attributed to the Supplier as if it were its own fault. This shall apply irrespective of the Contract between the Supplier and Diehl Controls being a contract for services, a contract for work and materials or a purchasing contract.

9. Quality Agreement (Subjective Requirements and Deviation from Objective Requirements within the meaning of § 434, BGB)

9.2 The agreed specifications shall be deemed a guarantee of quality and durability within the meaning of Section 443 BGB (German Civil Code) for the duration of the warranty period. Any product descriptions which are subject matter of the respective Contract or have been incorporated into the Contract the same way as these Terms and Conditions of Purchase, in particular by being designated or referred to in Diehl Controls' order, shall be deemed to be an agreement on the nature of the goods. In this context, it shall be irrelevant whether the product description originates from Diehl Controls, the Supplier or the manufacturer. Moreover, the product must be suitable for the use stipulated in the contract and, where applicable, be handed over with the agreed accessories and instruction manuals.

9.3 With regard to goods with digital elements or other digital content, the Supplier shall be responsible for providing and updating the content, at least to the extent specified in any quality agreement (see above) or other product descriptions provided by or on behalf of the manufacturer, particularly on the Internet, in advertising or on the product label. Sections 327 et seq. BGB shall also apply within the framework of the Contract between the Supplier and Diehl Controls and shall have an indicative effect and orientation function, insofar as they are transferable to contracts between businesses, taking into account the special interests and requirements of commercial business transactions. The entrepreneurial recourse according to Sections 327t, 327u BGB shall remain unaffected thereby.

9.4 In the event of a deviation from objective requirements within the meaning of Section 434 BGB, the Supplier shall be obliged to provide written notification. At the same time, Diehl Controls reserves the right to withdraw.

10. Liability for Defects

10.1 Handling of Parts Concretely Identified as Defective

10.1.1 If the delivered goods / work produced ("Part") turn(s) out to be defective, Diehl Controls may grant the Supplier a reasonable period, either for replacement or repair of the Part ("subsequent performance"). The Supplier has to bear all costs and expenses associated with the subsequent performance, including but not limited to: transportation, travel, labor, material, sorting, trouble-shooting, examination, expert costs, legal fees, costs of an incoming goods inspection exceeding the ordinary scope, etc. If necessary, the Part also has to be disassembled and subsequently to be reintegrated for this purpose. If the Supplier is not in a position to do so at a reasonable expense or if the disassembly and reintegration by the Supplier is contrary to the legitimate interests of Diehl Controls, Diehl Controls shall perform such disassembly / reintegration on behalf and at the expense of the Supplier. If the Supplier either (i) does not timely or (ii) refuses to effect supplementary performance, or (iii) if two attempts at rectification of defects fail or (iv) in case of a safety-relevant defect, i.e. a defect which entails the risk of serious injury to persons or damage of other objects than the delivery item, at least one attempt at rectification fails or (v) the Supplier is obviously not capable of effecting subsequent performance or (vi) it is unreasonable for Diehl Controls to wait for subsequent performance on grounds of impending exceptionally high damage, Diehl Controls shall have the following rights:

- a. Diehl Controls may effect the necessary subsequent performance itself or have suitable third parties effect such performance at the expense of the Supplier ("self-repair"). However, the Supplier may refuse subsequent performance if and insofar as it would entail excessive costs; in this case Diehl Controls shall not be entitled to a compensation of the costs of self-repair; or
- b. Diehl Controls may reasonably reduce the price of the defective Parts; or
- c. Diehl Controls may withdraw from the Contract, retain the purchase price or claim repayment thereof and make the defective Parts available for collection or, at the request and expense of the Supplier, properly dispose thereof.

10.1.2. In the case of (i) to (vi) above, Diehl Controls shall furthermore have the right to claim compensation of the damages incurred due to the defective delivery / improper subsequent performance as well as the costs and expenses incurred by Diehl Controls or by one of its customers insofar as they assert claims against Diehl Controls. Apart from potential costs of disassembly / reintegration, such compensation shall particularly include lost profits, recall costs, costs of process interruptions (including production downtime) etc. Claims for damages cannot be asserted under this Clause 10.1.2 if the Supplier is not responsible for the defective delivery.

10.2 Handling of Deliveries in Case of Merely Partial Quality Inspection

10.2.1 Voluntariness of Tests, Definition of the Terms "Sample Quantity" and "Total Quantity"; Treatment of the Parts Actually Examined

Subject to the provision concerning the reduced incoming inspection in Section 7, Diehl Controls shall be entirely free vis-à-vis the Supplier with regard to the performance of quality controls (upon receipt, processing or outgoing goods). If Diehl Controls effects such tests with respect to a partial quantity randomly chosen for this purpose ("Sample Quantity") from a certain delivery lot ("Total Quantity"), the regulations of Section 10.1 above shall apply to any parts identified as defective in this process. The parts identified as flawless within the Sample Quantity can (only) be returned by Diehl Controls against reimbursement of the purchase price if the relevant partial quantity is of no interest to Diehl Controls (e.g. due to its insufficient quantity).

10.2.2. Treatment of the Parts Not Tested; Extrapolation from the Sample Quantity to "Defectiveness" of the Relevant Total Quantity

If only one part within such a Sample Quantity shows a safety-relevant defect or if a Sample Quantity's defect rate for non-safety-critical defects exceeds 100 ppm, the entire rest of the Total Quantity that has not been tested shall as a whole be deemed to be "defective" irrespective of the concrete defectiveness of individual parts.

With respect to such a defective Total Quantity, Diehl Controls shall have the rights indicated in Clause 10.1 with regard to all parts in freely selectable combination irrespective of their concrete defectiveness. The degree of a possible reduction in the purchase price shall be dependent upon the quantity of defective parts to be expected within the Total Quantity on the basis of the Sample Quantity and upon the severity of the defects to be expected.

10.3 Industrial Property Rights of Third-Parties

The Supplier warrants in line with this Section 10.3 that the products supplied by him do not infringe any intellectual property rights of third parties in countries of the European Union or other countries in which he manufactures the products or has them manufactured or to which the products are sold according to his knowledge. If claims are asserted against Diehl Controls by third parties in connection with products delivered on grounds of the infringement of third-party industrial property rights, the Supplier shall be obligated to indemnify Diehl Controls from any such claims. The Supplier's indemnification obligation also comprises all reasonable expenses incurred by Diehl Controls in connection with the claims asserted by a third party. Diehl Controls will inform the Supplier without delay if a claim has been asserted by a third party. Insofar as an indemnification is granted, the Supplier shall, at its own due discretion, be entitled to take the appropriate measures of legal defense or for being granted the necessary rights of use. Diehl Controls' statutory claims for defects of title, in particular claims for damages, shall remain unaffected thereby.

10.4 Non-Conclusive Character of the Above Regulations

Other legal claims on the part of Diehl Controls in case of defects in quality and defects of title are not affected by the above regulations. In addition to the above provisions, Diehl Controls shall, in particular, be entitled to claim compensation of the damages and expenses incurred by Diehl Controls due to a defect in quality or a defect of title or which are invoiced to Diehl Controls by a customer.

10.5 Warranty Period

10.5.1 Claims arising from liability for defects shall become time-barred at the earliest 36 months from receipt of the parts by Diehl Controls (from the transfer of risk). For subsequently delivered parts, the original warranty period shall start to run anew upon receipt of the new delivery respectively reintegration. In contrast, the following shall apply to repaired parts: The period of limitation shall basically end at the same time as the original period of limitation, however, it shall at least be six months from completion of the repair. For defects of the kind for which the repair had been performed, the period of limitation, however, shall begin to run anew upon completion of the repair.

10.5.2 Upon Supplier's receipt of a notice of defect from Diehl Controls, the limitation period for warranty claims shall be suspended until Supplier rejects such claims or declares the defect remedied or otherwise refuses to continue negotiations regarding such claims.

10.5.3 Insofar as Diehl Controls is also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (Sections 195, 199 BGB) shall apply, unless the application of the limitation periods of the sales law leads to limitation periods in individual cases.

11 Supplier Recourse

11.1 In addition to claims for defects, Diehl Controls shall also be entitled without any restriction to the statutory claims for expenses and recourse within a supply chain (supplier recourse pursuant to Sections 478, 445a, 445b and Sections 445c, 327 (5), 327t, 327u BGB). Diehl Controls shall in particular be entitled to demand the exact type of subsequent performance (rectification or replacement) from the Supplier which Diehl Controls owes to its customers in each individual case; for goods with digital elements or other digital content, this shall also apply with regard to

the provision of necessary updates. The legal option according to Section 439 para. 1 BGB shall not be restricted thereby.

11.2 Prior to acknowledging or fulfilling a claim for defects asserted by one of its customers (including reimbursement of expenses in accordance with Sections 445a para. 1, 439 paras. 2, 3, 6 sentence 2 BGB), Diehl Controls undertakes to notify the Supplier, providing a brief description of the facts of the case and requesting a written statement. Where a substantiated statement cannot be provided within a reasonable term and no amicable solution can be reached, the claim for defects actually granted by Diehl Controls shall be deemed as owed to the customer of Diehl Controls. The Supplier shall bear the burden of proof in such case.

11.3 Any claims of Diehl Controls resulting from supplier recourse shall also apply if the defective goods have been connected to another product or otherwise processed by Diehl Controls, a customer of Diehl Controls or a third party, for example by assembly, mounting or installation.

12 Product Liability, Manufacturer's Liability

12.1 The Supplier shall be obligated to indemnify Diehl Controls from any claims asserted by third parties on grounds of defects in terms of the German Product Liability Act insofar as the part delivered already showed the defect of the causes thereof upon delivery to Diehl Controls. Recourse claims under Section 478 or Section 445a BGB, shall remain unaffected thereby.

12.2 As part of its indemnification obligation, the Supplier shall also be obligated to reimburse any expenses incurred pursuant to Sections 683, 670 BGB arising out of or in connection with a claim by a third party, including a product recall carried out by Diehl Controls. Diehl Controls shall – insofar as feasible and reasonable – inform the Supplier with regard to the contents and scope of the recall measures to be effected and give it an opportunity to comment. Further statutory claims shall remain unaffected.

12.3 The Supplier shall take out and maintain product liability insurance with an insured lump sum of at least EUR 3 million per personal injury/property damage. This shall be proven upon request.

13 Damage Minimization by Defending against Third-Party Claims

If claims for damages are made against Diehl Controls by one of its customers, based on or justified by the fact that the parts purchased by Diehl Controls from the Supplier – whether installed or not – were defective, Diehl Controls shall not be obliged vis-à-vis the Supplier to assert the objection under Section 377 HGB (missing complaint) or the plea of the statute of limitations within the scope of minimizing the damage to its customer, as long as a complaint has been made within 2 weeks of the occurrence of the damage and no more than 3 months have passed since the commencement of the limitation period. If a customer of Diehl Controls represents 20% or more of Diehl Controls' sales in the relevant product area in the previous year, Diehl Controls is not required to assert this defense, even if the above conditions are not met, as long as a refusal to compensate for the asserted damages would severely impair the business relationship with the customer.

14 Long-term Supplier Declaration, Certificate of Origin and Export Regulations

The Supplier shall be obliged to submit a long-term supplier declaration independently and voluntarily each year, stating the country of origin and customs tariff number for the parts it has delivered. In case the country of origin for a part changes during the existing business relationship, the Supplier shall be obliged to provide a negative declaration with a separate letter. The Supplier shall be responsible for compliance with all applicable export control regulations under domestic and foreign law in connection with its deliveries and services. Controls 2012:

The Supplier shall be obliged to inform Diehl Controls in writing of any possible approvals or notices mandatory for the (re-)export of its parts in accordance with the then relevant export and customs regulations of the country of destination, of the country of origin of its parts and,

in addition, all other EU countries and the USA. For this purpose, the Supplier shall in connection with dispositions of the products at least furnish the following information in his offers, order confirmations and invoices:

- The export list number in compliance with Appendix AL to the German Foreign Trade and Payments Ordinance (Außenwirtschaftsverordnung) (only for German Suppliers) or comparable list items of relevant export lists of the respective applicable law,
- for U.S. products the ECCN (Export Controls Classification Number) in compliance with the U.S. Export Administration Regulation (EAR),
- the commercial origin of the products and of its components including technology and software,
- whether the products have been shipped through the U.S., manufactured or stored in the U.S., or manufactured with U.S. technology,
- the statistic product number (HS code) of its products; and
- a contact person in its company for the clarification of possible queries on the part of Diehl Controls.

At Diehl Controls' request, the Supplier shall be required to communicate in writing all additional external trade data on its parts and their components and also to notify immediately (prior to the delivery of the relevant goods concerned) of any changes to the data referred to above.

15 Spare Parts

The Supplier shall be obliged to maintain a stock of spare parts for the products supplied to Diehl Controls for a period of at least five years after delivery. Insofar as the Supplier intends to discontinue the production of spare parts for the products delivered to Diehl Controls after the expiry of the above-mentioned period, the Supplier shall notify Diehl Controls of this immediately after the decision has been made, but at least 12 months before the discontinuation.

16 Compliance and Sanctions Clause

The Supplier shall conduct its business in accordance with the Diehl Supplier Code of Conduct ("SCoC"). In case of a violation of the obligations set out in the SCoC, Diehl Controls shall, after having warned the Supplier and unsuccessful expiration of a reasonable deadline for remedial action, within 2 weeks from unsuccessful expiration of such deadline, be entitled to extraordinarily terminate individual or all business transactions with the Supplier and to terminate individual or all negotiations. A prior warning and granting of a deadline shall not be required if there are special circumstances which, after weighing the interests of both parties, justify immediate termination; in this case, Diehl Controls is entitled to declare the extraordinary termination within 2 weeks of becoming aware of the violation.

17 Environmental Protection and Safety

The Supplier shall be obliged to comply with the applicable environmental protection, occupational safety and health and safety regulations. Diehl Controls shall be authorized to verify compliance with this regulation by means of a corresponding audit.

The Supplier shall ensure that the environmental impact of the design and manufacture of the goods is as low as possible, also with regard to later use and disposal (circular economy).

Insofar as the Supplier carries out work on the premises of Diehl Controls, the relevant instructions (information sheet) must be observed.

18 Final Provisions

18.1 Place of Performance

The place of performance for all obligations is the delivery address indicated by Diehl Controls or, in the absence of such address, the location of Diehl Controls in Wangen im Allgäu/Germany.

18.2 Applicable Law

18.2.1 Fundamental Regulation including all suppliers based within the EU, EFTA and EEA

For all orders from suppliers based in an EU, EEA or EFTA country, German law applies exclusively, excluding international private law and the UN Convention on Contracts for the International Sale of Goods. Exclusive place of jurisdiction for any disputes arising out of

or in connection with such orders and the deliveries based thereon, shall be the competent state courts for Wangen im Allgäu/Germany.

18.2.2 Suppliers based outside the EU, EFTA and EEA (with the exception of Chinese suppliers)

For all orders from suppliers based outside an EU, EEA or EFTA country and outside the People's Republic of China, German law applies exclusively, excluding international private law and the UN Convention on Contracts for the International Sale of Goods. Any dispute arising out of or in connection with such orders and the deliveries based thereon shall be finally and bindingly decided in accordance with the then valid arbitration rules of the International Chamber of Commerce (ICC) by one or three arbitrators appointed in accordance with said rules. The place of arbitration shall be Nuremberg/ Germany. The arbitration proceedings shall be held in the English language.

18.2.3 Chinese Suppliers

For all orders from suppliers based in the People's Republic of China, Chinese law applies exclusively, excluding international private law and the UN Convention on Contracts for the International Sale of Goods. Any dispute arising out of or in connection with such orders and/or the deliveries based thereon shall be finally and bindingly settled by the Beijing branch of the China International Economic and Trade Arbitration Commission ("CIETAC") in accordance with the CIETAC rules in force at that time. The arbitral award shall be final, binding and non-appealable for the Parties. The arbitration proceedings shall be held in the English language.

18.3 Severability Clause

If any provision of these General Terms and Conditions of Purchase is or becomes invalid, the validity of the remaining provisions shall not be affected thereby. Such invalid provisions shall be deemed replaced by valid provisions that come as close as possible to realizing the economic purpose of the invalid provisions.