

General Terms & Conditions of Purchase

A. Definitions

For the purposes of these Terms & Conditions of Purchase, the following definitions shall apply:

Agreement: Refers to these Terms & Conditions of Purchase, including any Purchase Orders, annexes, schedules, and any amendments or modifications thereto.

AuCom or Purchaser: Refers to AuCom MCS GmbH & Co. KG, the entity purchasing goods or services under these Terms.

Confidential Information: Refers to any non-public, proprietary, or sensitive information, whether written, oral, electronic, or otherwise, disclosed by AuCom (the "Disclosing Party") to the Supplier (the "Receiving Party") in connection with these Terms. This includes, but is not limited to, AuCom's business plans, strategies, pricing information, technical data, product designs, customer data, trade secrets, financial information, technical specifications, and any other information that, by its nature or the circumstances of its disclosure, should reasonably be understood to be confidential.

DDP (Delivered Duty Paid): Refers to the Incoterm where the Supplier is responsible for delivering the Goods to the specified location, including all costs, risks, and duties involved in bringing the Goods to that point.

Defects: Refers to any faults, imperfections, or non-conformities in the Goods or Services that render them unsuitable for their intended purpose as specified in the Purchase Order.

Delivery: Refers to the transfer of possession of Goods from the Supplier to the Purchaser at the location specified in the Purchase Order under DDP terms, or as otherwise agreed in writing.

Force Majeure: Refers as any natural phenomena, unavoidable accidents, fire, riots or public disturbances, national or sectorial strikes, acts of war, partial or general mobilization declarations, acts of government, embargoes and sanctions, impediments and delays caused by the Authorities, or any other causes of a similar nature that are unforeseeable or that, although foreseeable, are inevitable, irresistible, and beyond the control of the Parties concerned.

Goods: Refers to all products, materials, equipment, and other items specified in the Purchase Order that the Supplier is required to supply to AuCom.

Indemnity: Refers to the obligation of the Supplier to compensate AuCom for any losses, damages, costs, or liabilities arising from the Supplier's breach of this Agreement or from any third-party claims related to the Goods or Services.

Incoterms: Refers to the International Commercial Terms published by the International Chamber of Commerce (ICC), which define the responsibilities of buyers and sellers in the delivery of goods under international trade contracts.

Intellectual Property: Refers to all patents, trademarks, copyrights, designs, trade secrets, and other proprietary rights, including any applications or registrations related thereto.

Purchase Order: Refers to the document issued by AuCom specifying the goods or services to be purchased, including all terms and conditions referenced therein.

Services: Refers to all services specified in the Purchase Order that the Supplier is required to perform for AuCom.

Supplier: Refers to the individual or entity supplying goods or services to AuCom under these Terms.

Warranty: Refers to the Supplier's guarantee that the Goods or Services provided are free from defects and conform to the specifications, drawings, and samples agreed upon in the Purchase Order.

Work / Product: Refers to any materials, designs, documents, or other items created by the Supplier specifically for AuCom in connection with the performance of the Purchase Order.

B. Terms and Conditions

1. Acceptance of Terms

1.1 These Terms & Conditions of Purchase ("Terms") shall apply to all purchases made by AuCom MCS GmbH & Co. KG ("Purchaser") from the supplier ("Supplier").

1.2 No terms or conditions put forward by the Supplier, whether in a quotation, acknowledgment, or other communication, shall be binding on the Purchaser unless expressly agreed in writing by the Purchaser.

1.3 These Terms shall apply to all present and future agreements between AuCom and the Supplier unless explicitly stated otherwise in writing.

2. Purchase Orders

2.1 Purchase Orders placed by the Purchaser for the supply of Goods and/or Services are subject to the standard terms and conditions listed herein. The Supplier must acknowledge and accept the Purchase Order in writing within five (5) business days from the date of issuance. If the Supplier fails to respond within this period, the Purchase Order shall be deemed automatically accepted, and the Supplier shall be bound by all terms and conditions contained herein.

2.2 If the Supplier accepts a Purchase Order, it will be on these Terms and no other standard terms. Equally, if the Supplier makes a counteroffer which is not clearly labelled as such (or as a rejection of the Purchase Order), no subsequent behaviour of the Purchaser in accepting performance can be taken to imply any acceptance by the Purchaser of that counteroffer.

2.3 These Terms can only be changed, or other terms agreed upon, in written correspondence signed by the Purchaser's Purchasing Manager or a Company Director.

2.4 The Purchase Order number must be quoted on all correspondence, invoices, and delivery notes.

2.5 The Purchaser reserves the right to cancel the Purchase Order, in whole or in part, within Fifteen (15) business days from the date of issuance, without liability or obligation to the Supplier. Such cancellation shall not entitle the Supplier to any compensation, damages, or reimbursement of costs. Written notice of cancellation will be provided to the Supplier, and upon receipt, the Purchase Order shall be deemed void and of no further effect.

3. Price

3.1 The price of the Goods or Services shall be as stated in the Purchase Order. Any variation to the price must be agreed upon in writing by the Purchaser.

3.2 All prices shall be inclusive of all costs unless otherwise specified, including but not limited to packaging, transportation, delivery charges, and applicable taxes and charges.

3.3 The Supplier warrants that the prices charged for the Goods or Services are the lowest prices charged to any of its customers for similar goods or services, and if the Supplier offers a lower price to any other customer, the Supplier shall immediately apply that price to the Purchaser's order.

4. Payment Terms

4.1 Payment shall be made by the Purchaser within sixty (60) days from the later of the delivery date and acceptance at destination or the date of receipt of a correct and undisputed invoice.

4.2 Each invoice submitted for payment must, at a minimum, include the following details:

- Invoice number and invoice date.
- Delivery note number(s) corresponding to the goods or services provided in the invoice, ensuring traceability between delivery and invoicing.
- Defined payment due date in accordance with the agreed upon payment terms.
- Reference for the Purchase Order (PO) number and Sales Order (SO) number where applicable.
- Supplier's correct details, including full legal name, address, and Tax Identification Number (TAX ID).
- Bank account details for payment (including IBAN and SWIFT/BIC codes where applicable).
- Purchaser's details, including full legal name and address.
- Detailed description of the goods or services provided, including quantities, unit prices, and the total amount.
- Net Amount (before taxes).
- Tax Amount and percentage of taxes applied.
- Gross Amount (including taxes).
- A tax statement reading: "Steuerfrei - Innergemeinschaftliche Lieferung - Article 138 Richtlinie 2006/112/EC" (if applicable).

4.3 Invoices must be sent to accounts-de@aucom.com.

4.4 Payment does not constitute acceptance of the Goods or Services. The Purchaser reserves the right to withhold payment in the event of any errors, shortages, defects, or other failures of the Supplier to meet the requirements of the Purchase Order, including discrepancies discovered during or after inspection.

4.5 Invoices not complying with the above requirements may be rejected by the Purchaser, and payment terms shall be recalculated from the date of receipt of a compliant invoice.

4.6 Payment shall be made via bank transfer unless otherwise agreed in writing by the Purchaser. Any transaction fees or costs associated with the chosen payment method shall be borne by the Supplier.

4.7 In addition to any other rights AuCom may have, AuCom shall be entitled to set off any amounts payable to the Supplier under this Purchase Order or any other agreement against any claims, liabilities, or potential liabilities AuCom may have against the Supplier, whether under this agreement or otherwise.

5. Delivery

5.1 The Goods shall be delivered on a **Delivered Duty Paid (DDP)** basis as defined by Incoterms 2020, to the location specified in the Purchase Order unless otherwise agreed in writing by the Purchaser. The Supplier is responsible for all costs and risks associated with transporting the Goods, including but not limited to export and import duties, taxes, insurance, and delivery to the specified location.

5.2 Time is of the essence. If the Supplier fails to deliver the Goods or Services by the agreed-upon date, a late delivery penalty of 1 % of the total Purchase Order value per day of delay shall apply, capped at 10% of the total Purchase Order value. The Purchaser may also, without liability and in addition to its other rights and remedies, terminate the Purchase Order by notice to the Supplier, purchase substitute goods or services elsewhere, and charge the Supplier with any loss incurred.

5.3 The Supplier shall notify the Purchaser immediately of any anticipated delay in delivery. The Purchaser reserves the right to reject any Goods delivered after the specified delivery date or

any early deliveries unless such deliveries have been agreed upon in writing in advance.

5.4 The Supplier is responsible for providing accurate Harmonized System (HS) codes for all Goods specified in the Purchase Order. These codes must conform to the requirements of international trade and customs regulations for the country of import and export. Any penalties, delays, or costs arising from incorrect HS coding shall be borne by the Supplier. The Purchaser reserves the right to verify the accuracy of the provided HS codes.

5.5 In cases where the delivery terms are agreed to be different from DDP, such terms must be explicitly stated in the Purchase Order and agreed upon in writing by both parties.

5.6 The Supplier shall provide a delivery note for each shipment, detailing the Purchase Order (PO) number, item description, quantities, invoice number where applicable and any other relevant references necessary for verification of the goods delivered.

6. Testing, Inspection, and Acceptance

6.1 The Supplier shall conduct all necessary tests prior to the delivery of Goods or Services to ensure they comply with the specifications, standards, and other requirements outlined in the Purchase Order. All test data, certificates of conformity, and any other relevant documentation must be provided to the Purchaser upon request.

6.2 The Purchaser reserves the right to observe any tests conducted by the Supplier. The Supplier shall provide reasonable advance notice of such tests and allow the Purchaser or its designated representatives to attend and verify the testing procedures and results.

6.3 Upon delivery, the Purchaser may conduct its own tests or engage a third party to do so, to verify the conformity of the Goods or Services with the Purchase Order. If the Goods or Services fail such tests, the Purchaser reserves the right to reject them, and any costs associated with third-party testing due to non-conformity shall be borne by the Supplier.

6.4 All Goods and Services are subject to the Purchaser's inspection and approval upon delivery. The Purchaser reserves the right to reject any Goods or Services that do not conform to the Purchase Order or these Terms. The Purchaser shall inspect and accept or reject the Goods within thirty (30) business days from the date of delivery. If the Purchaser does not notify the Supplier of any rejection or non-conformity within this period, the Goods shall be deemed conditionally accepted. Such conditional acceptance does not waive the Purchaser's rights to later reject the Goods or claim for defects discovered after this period, including latent defects as provided under the warranty terms.

6.5 Acceptance of the Goods or Services by the Purchaser does not constitute a waiver of any of the Purchaser's rights, including those concerning defective or non-conforming Goods or Services. Any inspection or failure to inspect does not limit the Purchaser's right to later claim defects or non-conformity.

6.6 The Purchaser shall be entitled to reject Goods or Services that do not meet the agreed specifications. The Supplier shall bear all costs associated with the return, repair, or replacement of such Goods or Services, including transportation and any related expenses.

6.7 If the Purchaser discovers defects or non-conformities after acceptance, the Purchaser reserves the right to reject the Goods or Services and require their replacement, repair, or a full refund at the Supplier's expense. The Purchaser is also entitled to recover any additional costs incurred as a result of the Supplier's failure to meet the required specifications or standards.

6.8 The Supplier shall maintain accurate and detailed records of all tests and inspections conducted and provide these to the Purchaser upon request. These records must include details such as the date of testing, the methods used, and the results, including any deviations from the required standards.

7. Representations & Warranties

7.1 The Supplier represents and warrants that it has all necessary permits and licences to allow it to sell the Goods and Services to the Purchaser.

7.2 The Supplier warrants that all Goods and Services provided shall be of merchantable quality, free from defects in materials and workmanship, and conform in all respects to the specifications, drawings, samples, and other descriptions provided or approved by the Purchaser. The Supplier further warrants that the Goods are new, do not contain any used or reconditioned parts or materials and not subject to any liens, charges, claims, security interests, or any other third-party rights or encumbrances, and comply with all applicable laws, regulations, and industry standards.

7.3 These warranties shall be in addition to all other warranties, express, implied, or statutory. They do not exclude any rights or remedies that the Purchaser may have under applicable law or other contractual obligations.

7.4 This warranty shall remain in effect for a period of 24 months from the date of delivery or acceptance by the Purchaser, whichever is later. Any defects discovered within this period shall entitle the Purchaser to request, at its discretion, a replacement, repair, or refund of the Goods at the Supplier's expense, including all associated costs such as transport, labor, and materials.

7.5 For Goods that are critical to the Purchaser's operations or products, the Supplier agrees to extend the warranty period to 36 months from the date of delivery or acceptance, whichever is later. Any defects discovered within this period shall entitle the Purchaser to request a replacement, repair, or refund of the Goods at the Supplier's expense.

7.6 The Supplier warrants that the Goods or Services are free from latent defects—those defects not discoverable at the time of delivery or initial inspection but which may arise or become apparent during an extended period. The Purchaser retains the right to claim for any latent defects discovered within 5 years from the date of delivery or acceptance, whichever is later, even if the Goods or Services have been accepted.

7.7 In the event that any defects, including latent defects, are discovered during the applicable warranty period, the Purchaser shall be entitled to request, at its discretion, a replacement, repair, or full refund of the defective Goods or Services. The Supplier shall bear all costs associated with remedying such defects, including transportation, labor, and materials.

7.8 The Supplier shall respond promptly to any warranty claims made by the Purchaser and complete all necessary remedial actions within a timeframe mutually agreed upon. Should the Supplier fail to remedy any defects in a timely manner, the Purchaser reserves the right to rectify the defects itself or through a third party at the Supplier's expense.

7.9 These warranty obligations, including those related to latent defects, shall survive the delivery, inspection, acceptance, and payment for the Goods and Services. Additionally, these obligations shall survive the termination or completion of the agreement for the duration of the respective warranty periods.

7.10 The Supplier commits to continuously improve the quality, performance, and reliability of the Goods and Services provided under this Agreement. The Supplier shall, at its own cost,

take all necessary measures to implement quality improvement programs that ensure compliance with industry standards and Purchaser's requirements.

7.11 The Supplier shall ensure the availability of spare and replacement parts for the Goods supplied under this Agreement for a period of no less than [10] years after the delivery of the Goods. If the Supplier discontinues the production of such parts, the Supplier shall provide the Purchaser with the opportunity to make a last-time purchase of sufficient quantities to cover expected needs.

7.12 The Supplier shall maintain a business continuity and disaster recovery plan, which shall ensure the continued performance of the Supplier's obligations under this Agreement in the event of a disaster or significant disruption. The Supplier shall provide a copy of the plan upon request and shall update the Purchaser on any material changes.

8. Risk and Title

8.1 The risk in the Goods shall pass to the Purchaser upon delivery to the specified location under DDP terms and acceptance of the Goods by the Purchaser unless otherwise agreed in writing by the Purchaser. Title to the Goods shall pass to the Purchaser upon delivery to the specified location or payment corresponding to it, whichever is earlier.

8.2 The Supplier shall bear all risk of loss or damage to the Goods until the Goods are delivered to and accepted by the Purchaser. Notwithstanding payment, title to the Goods shall not transfer to the Purchaser if the Goods are found to be defective or non-conforming upon inspection.

8.3 The Supplier shall ensure that adequate insurance coverage is maintained for the Goods until the risk and title pass to AuCom. The Supplier shall provide proof of insurance upon request by AuCom.

8.4 In the event of any breach of these Terms by the Supplier, the Purchaser may, at its option, take possession of any Goods in which title has not yet passed, without liability to the Supplier.

9. Insurance and Liability

9.1 The Supplier shall maintain, at its own expense, adequate insurance coverage to cover its liabilities under the Purchase Order, including but not limited to the following types of insurance which should be the minimum of:

(i) Commercial General Liability insurance with a minimum coverage of €10,000,000 Euro per occurrence and €20,000,000 Euro aggregate, covering claims for bodily injury, property damage, and personal injury.

(ii) Product Liability insurance with a minimum coverage of €10,000,000 Euro per occurrence and €20,000,000 Euro aggregate, covering damages arising from any defects in the Goods supplied under this Agreement.

(iii) Professional Liability insurance with a minimum coverage of €1,500,000 Euro per claim and €1,500,000 Euro aggregate to cover damages arising from errors, omissions, or negligence in the services provided.

(iv) Workers' Compensation insurance in accordance with statutory limits required by the jurisdiction where the services are provided, including Employer's Liability coverage of no less than €10,000,000 Euro per injury or illness.

(v) Automobile Liability insurance with a minimum coverage of €5,000,000 Euro per occurrence to cover bodily injury and property damage resulting from the use of any vehicle involved in the performance of this Agreement.

(vi) Cyber Liability insurance with a minimum coverage of €5,000,000 Euro per claim to cover damages arising from data breaches, hacking, or cyber-attacks related to the performance of this Agreement.

(vii) Environmental Liability insurance with a minimum coverage of €10,000,000 Euro per claim to cover any claims arising from environmental contamination or damage caused by the Supplier's activities.

(viii) Cargo/Transit insurance, covering the full value of the Goods during shipment, to protect against any loss or damage to Goods while in transit to the Purchaser or any designated location.

(ix) Recall insurance with a minimum coverage of €2,000,000 Euro per occurrence, covering all costs associated with the recall, destruction, and replacement of defective or hazardous product.

9.2 The Supplier shall ensure that the insurance coverage remains in effect throughout the duration of the Purchase Order.

9.3 The Supplier shall also:

- Provide the Purchaser with certificates of insurance evidencing the required coverages prior to the commencement of any Work under this Agreement.
- Ensure that the Purchaser is named as an additional insured on the Commercial General Liability and Product Liability insurance policies.
- Notify the Purchaser in writing at least 30 days prior to any cancellation, modification, or non-renewal of any insurance coverage required under this Agreement.
- Ensure that all insurance policies are issued by insurers with a financial strength rating of A- or better as rated by A.M. Best or an equivalent rating agency.

9.4 The Supplier's insurance coverage shall not limit its liability under these Terms. The Purchaser's rights to indemnification and other remedies provided in these Terms shall survive the expiration or termination of the Purchase Order.

10. Confidentiality

10.1 The Supplier shall keep confidential and shall not, without the prior written consent of the Purchaser, disclose to any third party or use for any purpose other than fulfilling its obligations under the Purchase Order, any Confidential Information disclosed by the Purchaser.

10.2 This confidentiality obligation shall survive the completion, cancellation, or termination of the Purchase Order for a period of five (5) years. The Supplier shall take all necessary measures to protect Confidential Information from unauthorized disclosure and ensure that any subcontractors or third parties involved in the performance of the Purchase Order are bound by similar confidentiality obligations.

10.3 In the event of any unauthorized disclosure, the Supplier shall notify the Purchaser immediately and take all reasonable steps to mitigate the effects of such disclosure. This obligation of confidentiality shall survive the termination or completion of the Purchase Order for a period of five years.

10.4 The Supplier shall implement and maintain appropriate technical and organizational measures to protect any data provided by the Purchaser from unauthorized access, loss, or alteration. The Supplier shall notify the Purchaser immediately in the event of any data breach or cyber incident affecting the Purchaser's data.

11. Intellectual Property and Software Rights

11.1 Any Intellectual Property, including but not limited to software, developed by the Supplier specifically for the Purchaser

in the course of the supply of Goods or Services shall vest in the Purchaser. The Supplier agrees to assign all rights, title, and interest in such Intellectual Property to the Purchaser, including any related software, documentation, and source code, where applicable.

11.2 The Supplier warrants that the Goods, Services, and any associated software provided do not infringe upon any third-party Intellectual Property rights, including copyrights, patents, trademarks, or any proprietary rights. The Supplier shall indemnify and hold harmless the Purchaser from and against any and all claims, liabilities, damages, and costs, including legal fees, arising from any breach of this warranty.

11.3 Any improvements, modifications, or derivatives of AuCom's Intellectual Property, including but not limited to software enhancements, developed by the Supplier in connection with the Purchase Order, shall be owned exclusively by AuCom. The Supplier agrees to transfer all rights, title, and interest in such improvements to AuCom without any additional cost.

11.4 The Purchaser shall have the unrestricted right to use, copy, modify, and sell the Goods, including any embedded or stand-alone software, without restriction. This includes the right to sublicense, distribute, or sell the Goods and any associated software to third parties, and to transfer any associated software licenses and rights of use to such third parties, in connection with the resale of the Goods. The Purchaser and any third-party buyer shall have the right to use the software without any further approvals or licenses from the Supplier.

11.5 Where software is provided as part of the Goods or Services, the Supplier grants the Purchaser a perpetual, non-exclusive, worldwide, royalty-free license to use such software. This license extends to any third parties to whom the Purchaser may sell or distribute the Goods, ensuring that the right to use the software transfers with the Goods. The Supplier shall provide all necessary licenses, keys, documentation, and support to enable both the Purchaser and any subsequent purchasers or users to fully utilize the software.

11.6 The Supplier shall ensure that any software updates, modifications, or patches are provided at no additional cost during the warranty period and that such updates do not restrict the Purchaser's or any third-party buyer's rights of use. The Purchaser and any subsequent buyer shall retain full rights of use for any updated or modified versions of the software.

12. Indemnity

12.1 The Supplier shall indemnify, defend, and hold harmless the Purchaser, its officers, employees, agents, affiliates, and any subcontractors or third parties acting on behalf of the Purchaser, from and against any and all claims, liabilities, damages, losses, and expenses, including attorney's fees and costs, arising out of or in connection with:

- The Supplier's performance or breach of the Purchase Order;
- Any third-party claims of infringement of intellectual property rights, including copyrights, patents, trademarks, or software rights, as well as any claims related to product liability, personal injury, death, or property damage associated with the Goods, Services, or any subcontractor's or third party's actions;

- The Supplier's or its subcontractors' failure to comply with applicable laws, regulations, and industry standards, including but not limited to environmental, health, and safety regulations, and software licensing or export control requirements.

12.2 The Supplier shall ensure that any subcontractors or third parties engaged in the performance of this Agreement comply with the terms and conditions of the Purchase Order and all applicable laws. The Supplier shall maintain adequate insurance coverage to support this indemnity obligation and provide evidence of such insurance upon request by the Purchaser. The Purchaser's rights to indemnification shall survive the termination or expiration of the Purchase Order.

12.3 The Supplier's liability shall not be capped in cases of gross negligence, willful misconduct, breach of confidentiality, infringement of intellectual property or software rights, or breaches of data protection or export control obligations, including claims for death or personal injury caused by the Supplier or any subcontractors or third parties engaged by the Supplier. Any limitations on liability shall not apply to these scenarios.

13. Suspension and Termination

13.1 Suspension of Work

13.1.1 The Purchaser may suspend performance of all or part of the obligations of the Supplier under the Purchase Order at any time by giving written notice to the Supplier. Upon receiving such notice, the Supplier shall immediately suspend the Work as directed by the Purchaser and properly protect all Goods that are work in progress, as well as materials. During the suspension period, the Purchaser shall not be liable for any additional costs or expenses incurred by the Supplier unless the Purchaser has expressly agreed in writing to cover such costs. The Supplier shall take all reasonable steps to mitigate any costs associated with the suspension.

13.1.2 The Purchaser may at any time withdraw the suspension as to all or part of the suspended performance of the Purchase Order by written notice to the Supplier, and the Supplier shall promptly resume diligent performance on the specified effective date of withdrawal of suspension.

13.1.3 If the suspension extends beyond ninety (90) days, the Supplier may request a modification to the Purchase Order to reflect any potential delays in the agreed-upon delivery schedule due to the suspension. Any such request must be agreed upon in writing by the Purchaser.

13.1.4 If the suspension lasts more than hundred twenty (180) days, the Supplier shall have the right to terminate the Purchase Order for convenience, and the Purchaser shall compensate the Supplier for any work completed up to the date of suspension, provided such work has been accepted by the Purchaser.

13.2 Termination for Convenience

13.2.1 The Purchaser reserves the right to terminate the Purchase Order in whole or in part at any time for convenience by providing written notice to the Supplier. Upon termination of the Agreement, the Supplier shall immediately cease all Work, return any Purchaser property in its possession, and, at the Purchaser's discretion, deliver any completed Goods or materials for which payment has been made. The Supplier must cooperate fully to mitigate costs and disruptions to the Purchaser's business.

13.2.2 The Purchaser shall pay as full and final settlement, (i) the price of any compliant and accepted Goods delivered before the end of the notice period, and (ii) all irrecoverable costs already incurred by the Supplier before the date of its termination and directly related to the Order, provided that those costs are duly established and proven.

13.2.3 The Purchaser shall not be liable for any indirect or consequential losses, including loss of profits, in the event of termination for convenience.

13.3 Termination for Cause

13.3.1 The Purchaser may terminate the Purchase Order for cause with immediate effect by providing written notice to the Supplier if:

(i) The Supplier is in breach of any term of the Agreement and, in the case of a breach capable of remedy, fails to remedy the breach within seven (7) days of being notified of the breach in writing;

(ii) The Supplier becomes insolvent, enters into bankruptcy, liquidation, or a similar proceeding, or makes a voluntary arrangement with creditors;

(iii) A receiver, manager, or encumbrancer takes possession or is appointed over any of the Supplier's property or assets;

(iv) The Supplier ceases or threatens to cease operations;

(v) There is a change in control of the Supplier which, in the Purchaser's reasonable opinion, adversely affects the Purchaser's position, rights, or interests;

(vi) A material change occurs in the financial position of the Supplier, which in the Purchaser's reasonable opinion, is likely to affect the Supplier's ability to perform its obligations under the Agreement; or

(vii) Any of the events referred to in Clause 14 (Force Majeure) continues for at least 1 month.

13.3.2 In such cases, the Purchaser shall be entitled to recover any costs, losses, or damages incurred as a result of the termination, including the cost of procuring substitute Goods or Services.

13.3.3 The Purchaser may procure replacement Goods or Services upon such terms as it deems appropriate, and the Supplier shall reimburse the Purchaser for all additional losses, costs, and expenses incurred in purchasing such substitute Goods or Services.

13.4 Termination of the Purchase Order shall not discharge either party from any obligations accrued on or prior to the date of termination. Any termination or cancellation of the Purchase Order shall not affect the continuance in force of Software licenses granted to the Purchaser, its related corporations, its distributors, or its customers.

13.5 The rights and remedies granted to the Purchaser pursuant to the Purchase Order are in addition to, and shall not limit or affect, any other rights or remedies available at law or in equity.

13.6 All provisions of these Terms which by their nature should survive the termination of the Agreement, including but not limited to confidentiality, indemnity, and warranty obligations, shall survive such termination.

14. Force Majeure

14.1 Neither party shall be liable for any delay or failure in performance due to causes beyond its reasonable control, including but not limited to acts of God, war, strikes, pandemics, governmental actions, or other events of Force Majeure.

14.2 The affected party shall notify the other party in writing as soon as possible but no later than five (5) days after the occurrence of a Force Majeure event. The notification shall include details of the Force Majeure event, its anticipated impact on performance, and the steps being taken to mitigate such impact.

14.3 If the Force Majeure event persists for more than thirty (30) days, either party may terminate the Purchase Order without liability by providing written notice to the other party. In the event

of such termination, the Purchaser shall pay the Supplier for any Goods or Services delivered up to the date of termination.

14.4 The Supplier shall not be entitled to invoke Force Majeure for events that are reasonably foreseeable or within the Supplier's control. The Supplier must provide written evidence of the Force Majeure event within five (5) days, including proof of its impact and measures taken to mitigate the effect.

15. Change Management

15.1 Any changes to the scope, design, or specifications of the Goods or Services must be agreed upon in writing by the Purchaser before implementation.

15.2 The Supplier shall notify the Purchaser of any proposed changes and shall not proceed with any changes without the Purchaser's prior written consent.

15.3 The Purchaser reserves the right to reject any changes that may adversely affect the quality, performance, or delivery schedule of the Goods or Services.

16. Compliance with Laws, Regulations, and Ethical Standards

16.1 The Supplier shall comply with all applicable local, national, and international laws, regulations, and standards where applicable in the performance of its obligations under this Agreement. This includes, but is not limited to, environmental, health, safety, labor, and data protection laws, as well as product safety and liability regulations.

16.2 The Supplier must comply with all relevant German, EU, and U.S. regulations where applicable, including but not limited to the following:

- German Civil Code (BGB) and Commercial Code (HGB): The Supplier shall ensure that all Goods and Services comply with the German Civil Code and Commercial Code.
- Product Liability Act (Produkthaftungsgesetz): The Supplier shall ensure that the Goods are free from defects and safe for use in accordance with the German Product Liability Act.
- General Data Protection Regulation (GDPR): The Supplier shall comply with GDPR (Regulation (EU) 2016/679) in relation to the processing and protection of personal data.
- REACH, RoHS, and WEEE Directives: The Supplier must ensure compliance with the REACH (Regulation (EC) No 1907/2006), RoHS (Directive 2011/65/EU), and WEEE (Directive 2012/19/EU) regulations.
- U.S. Export Administration Regulations (EAR) and International Traffic in Arms Regulations (ITAR): The Supplier must ensure compliance with U.S. export controls if applicable.
- Office of Foreign Assets Control (OFAC): The Supplier must ensure compliance with U.S. sanctions and must not involve individuals or entities listed on the U.S. Specially Designated Nationals (SDN) list.

16.3 Environmental Responsibility

16.3.1 The Supplier shall comply with all German, EU, and U.S. environmental regulations, including without limitation German Environmental Liability Act (Umwelthaftungsgesetz) where applicable. The Supplier must minimize the environmental impact of its operations and provide documentation, such as life-cycle assessments or eco-label certifications, where applicable.

16.3.2 The Supplier agrees to disclose its carbon footprint and emissions data upon request and work towards reducing its carbon emissions in line with international climate agreements such as the

Paris Agreement. The Supplier shall provide updates on its progress towards sustainability goals as part of its regular reporting obligations.

16.4 Supply Chain Due Diligence and Transparency

16.4.1 The Supplier shall ensure that its supply chain adheres to the same standards and obligations set forth in these Terms. This includes where applicable:

- Compliance with the German Supply Chain Due Diligence Act (LkSG) and conducting regular risk assessments on human rights and environmental compliance.
- Conducting due diligence and ensuring that all operations and subcontractors comply with all applicable laws and ethical standards. The Purchaser reserves the right to request documentation or conduct audits to verify compliance.

16.4.2 The Purchaser encourages the Supplier to implement practices that promote diversity in its supply chain, including sourcing from minority-owned, women-owned, and other diverse suppliers. The Supplier shall report on its diversity initiatives upon request.

16.5 Compliance with CE Marking Requirements

16.5.1 The Supplier shall ensure that all Goods supplied under this Agreement that fall within the scope of the European Union CE marking regulations comply with the relevant EU directives and regulations where applicable. The Supplier is responsible for ensuring that such Goods are appropriately marked with the CE marking, signifying compliance with all applicable health, safety, and environmental protection standards as required under EU law.

16.5.2 The Supplier must provide the necessary Declaration of Conformity and supporting technical documentation to demonstrate compliance with the CE marking requirements. In the event of any updates or changes to the applicable EU directives, the Supplier must ensure that the Goods continue to comply with the revised requirements and maintain valid CE marking certification.

16.5.3 Any costs, penalties, or delays arising from the Supplier's failure to comply with CE marking requirements shall be borne by the Supplier. Non-compliance with CE marking obligations may be considered a material breach of this Agreement.

16.6 Health and Safety Compliance

The Supplier shall comply with all applicable health and safety laws, regulations, and industry standards related to the production, handling, and delivery of Goods and Services under this Agreement. The Supplier is responsible for ensuring that all necessary safety measures are implemented to protect the health and safety of its employees, subcontractors, and any third parties involved in the performance of the Agreement.

16.7 Compliance with International Quality Standards

16.7.1 The Supplier shall ensure that all Goods and Services supplied under this Agreement comply with the relevant ISO (International Organization for Standardization) standards, including but not limited to ISO 9001 for quality management systems, ISO 14001 for environmental management systems, and ISO 45001 for occupational health and safety management systems, where applicable.

16.7.2 The Supplier shall provide, upon request, certifications or evidence of compliance with these ISO standards. In the event that the Supplier is not currently certified to an applicable ISO standard, the Supplier shall implement internal quality control and management processes that align with the principles of such ISO standards and ensure that the Goods and Services meet the required quality, safety, and environmental standards.

16.8 Employment and Labor Law Compliance

The Supplier shall comply with all applicable labor laws, including:

- German Minimum Wage Act (Mindestlohngesetz) and the EU Directive on Transparent and Predictable Working Conditions (Directive (EU) 2019/1152) where applicable.

- Ensuring fair wages, safe working conditions, and the prevention of child labor and forced labor throughout its operations and supply chain.

16.9 Anti-Discrimination and Equality

The Supplier shall adhere to the principles of equality and non-discrimination as required by:

- German General Equal Treatment Act (AGG) and applicable EU anti-discrimination laws where applicable.

- There shall be no discrimination in hiring practices or the treatment of employees based on gender, race, ethnicity, religion, age, disability, or sexual orientation.

16.10 Product Liability and Safety

The Supplier is responsible for ensuring that all Goods supplied are safe for use and comply with the German Product Liability Act, EU product safety regulations, and applicable U.S. regulations. The Supplier must promptly notify the Purchaser of any safety risks or defects and take appropriate actions, including recalls or repairs, to mitigate such risks.

16.11 Trade Compliance and Export Control

The Supplier must comply with all German, EU, and U.S. trade and export control laws, including:

- EU Dual-Use Regulation (Regulation (EU) 2021/821) and U.S. Export Administration Regulations (EAR) where applicable.

- Ensuring that any necessary licenses or authorizations are obtained for export, and compliance with any embargoes or sanctions imposed by OFAC where applicable.

16.12 U.S. Foreign Corrupt Practices Act (FCPA) Compliance

The Supplier must comply with the Foreign Corrupt Practices Act (FCPA) of the United States, which prohibits the bribery of foreign government officials to obtain or retain business. The Supplier must not offer, promise, authorize, or give anything of value to any government official or third party to influence decisions in connection with the business.

16.13 U.S. Anti-Money Laundering Compliance

The Supplier must where applicable comply with U.S. anti-money laundering laws, including the Bank Secrecy Act and the USA PATRIOT Act. The Supplier must implement appropriate measures to prevent, detect, and report any suspicious transactions and ensure that its operations comply with U.S. anti-money laundering regulations.

16.14 Anti-Bribery and Anti-Corruption

The Supplier must comply with all applicable anti-bribery and anti-corruption laws, including where applicable: The German Criminal Code (Strafgesetzbuch StGB) and the U.S. Foreign Corrupt Practices Act (FCPA). The Supplier must not offer or accept bribes, and any breach will be considered a material violation, entitling the Purchaser to terminate the Purchase Order.

16.15 Data Protection and Privacy

The Supplier shall comply with: GDPR, the German Federal Data Protection Act (BDSG), and U.S. privacy regulations regarding the processing and protection of personal data where applicable. If personal data is processed on behalf of the Purchaser, the Supplier must enter into a Data Processing Agreement (DPA).

16.16 Corporate Social Responsibility (CSR)

The Supplier must align its business practices, and those of its suppliers, with international standards, including where applicable: UN Global Compact, OECD Guidelines for Multinational Enterprises, and U.S. social responsibility

regulations. The Supplier must demonstrate transparency and ethical conduct throughout its operations and supply chain.

16.17 Compliance with Anti-Money Laundering Regulations

The Supplier shall comply with the German Money Laundering Act (GwG), EU Anti-Money Laundering Directives, and U.S. anti-money laundering laws, implementing appropriate measures to prevent and report suspicious activities.

16.18 Ethical Standards and Code of Conduct

The Supplier must adhere to the highest ethical standards and ensure that its employees, agents, and subcontractors are trained and comply with these standards. Any breach of the Purchaser's Code of Conduct or equivalent standards will be considered a material breach of this Agreement.

16.19 The Supplier warrants that any materials or components used in the Goods supplied under this Agreement are free from conflict minerals sourced from areas of armed conflict and comply with the Conflict Minerals Rule under the Dodd-Frank Act and equivalent EU regulations. The Supplier shall provide full traceability and compliance reports upon request.

16.20 Where the specific laws, regulations, or standards mentioned in this Agreement are not applicable in the Supplier's jurisdiction, the Supplier agrees to comply with equivalent or stricter standards of local, national, or international law as reasonably required to fulfill the obligations of this Agreement. The Supplier shall notify the Purchaser of any discrepancies and implement necessary compliance measures to align with the standards outlined here.

16.21 In the event of non-compliance with any of the terms of this Agreement, including delays, defective goods, or non-performance, the Purchaser reserves the right to impose penalties, including financial penalties, at a rate of 1 % of the total Purchase Order value per day of delay or non-compliance capped at 10 % of the total Purchase Order value.

17. Audit Rights

17.1 The Purchaser reserves the right to monitor the Supplier's performance during the term of this Agreement. If the Supplier's performance falls below agreed standards or benchmarks, the Purchaser shall be entitled to request corrective actions, including performance improvement plans, at the Supplier's expense.

17.2 The Supplier shall have in place a supply chain continuity plan, and upon the Purchaser's request, provide details of such plan. This plan must include alternative suppliers or contingency strategies to mitigate any disruptions that could affect the timely supply of Goods or Services.

17.3 The Purchaser reserves the right to audit the Supplier's facilities, processes, and records related to the Goods or Services provided under the Purchase Order to ensure compliance with these Terms, including but not limited to ISO standard, environmental standards, labor laws, and corporate social responsibility obligations.

17.4 The Supplier shall provide reasonable assistance and access to all relevant information and facilities during such audits.

17.5 The Purchaser may conduct audits at any time during normal business hours, upon reasonable notice to the Supplier.

18. Assignment and Subcontracting

18.1 The Purchaser, as defined in these General Terms & Conditions of Purchase as AuCom MCS GmbH & Co. KG or any of its affiliates, reserves the right to perform its obligations or exercise its rights under this Agreement either directly or through

any of its affiliated entities. Any act or omission by such affiliated entities shall be deemed an act or omission of the Purchaser. The Purchaser may, at its sole discretion, assign, transfer, or novate this Agreement, or any part thereof, to any of its affiliates or to any entity acquiring or substantially acquiring the relevant portion of the Purchaser's business. The Supplier shall be bound by such assignment or novation and agrees to cooperate fully, executing any necessary documents at the Purchaser's request to effect such transfer. The Supplier agrees to be a party to any novation or assignment, if so requested by the Purchaser, and to execute all relevant documents in connection therewith.

18.2 The Supplier shall not, either in whole or in part, assign, transfer, or subcontract any of its rights, duties, or obligations under this Agreement without the prior written consent of the Purchaser. Such consent must be explicitly provided in writing by authorized representatives of both Parties. Even if such consent is given, the Supplier shall remain fully responsible for all obligations under this Agreement and for any actions of subcontractors. The Purchaser reserves the right to impose conditions upon granting consent. Any attempt to assign, transfer, or subcontract without prior written consent shall be void and without effect.

19. Governing Law and Jurisdiction

19.1 These Terms shall be governed by and construed in accordance with the laws of Germany. The parties expressly agree that the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded and shall not apply.

19.2 Any disputes arising under these Terms shall be resolved through mediation in Münster, Westfalen, and if unresolved, through exclusive legal proceedings in the courts of Münster, Westfalen.

20. Miscellaneous

20.1 If the Goods or Services supplied under the Agreement require the Purchaser to obtain any permit or license from any governmental or other regulatory authority, the Agreement shall be deemed conditional upon such permit or license being granted at the required time.

20.2 The Supplier represents and warrants that it shall comply with all applicable laws, rules, regulations, and requirements and shall obtain, at its own cost and expense, all necessary permits and licenses for the supply of Goods and Services under this Agreement. Upon request, the Supplier shall provide the Purchaser with all necessary information or documentation regarding the Supplier's compliance, as well as any other information or documentation required to enable the Purchaser to comply with any applicable laws, rules, regulations, and requirements regarding the receipt and use of the Goods or Services.

20.3 If any provision of these Terms and Conditions is held by any competent court or authority to be invalid or unenforceable in whole or in part, such provision shall be construed, limited, or, if necessary, severed to the extent required to eliminate such invalidity or unenforceability. The validity and enforceability of the remaining provisions of these Terms and Conditions shall not be affected thereby and shall remain in full force and effect.

20.4 The Purchaser does not waive any right under the Agreement by failing to insist on compliance with any of its terms, or by failing to exercise any rights hereunder. Any waiver granted by the Purchaser shall be effective only if recorded in writing and signed by an authorized representative of the Purchaser. No waiver by the Purchaser of any breach of the Agreement by the Supplier

shall be considered a waiver of any subsequent breach of the same or any other provision of the Agreement.

20.5 This Agreement constitutes the entire agreement between the Parties and supersedes any prior communications, representations, or agreements, whether verbal or written, with respect to the subject matter hereof. This Agreement may not be modified or changed unless agreed to in writing and signed by authorized representatives of both Parties.

20.6 All notices under this Agreement must be in writing and signed by the authorized representatives of the sending Party. Notices must be delivered to the address, or email specified in the Agreement, and may be delivered by hand, prepaid registered post, or email. Such notices shall be deemed served:

- (i) if delivered by hand, at the time of delivery;
- (ii) if sent by prepaid registered post, three (3) days after posting;
- (iii) if sent by email, on the date and time shown on the electronic record evidencing successful transmission.

20.7 Except for Purchaser, its affiliates, or related entities, the Parties do not intend that any term of this Agreement shall confer any rights on third parties. No third party shall have the right to enforce any term of this Agreement under Section 328 BGB (Contract for the Benefit of Third Parties) or otherwise, unless explicitly agreed to in writing by the Purchaser.