

Continental Aerospace Technologies GmbH – General Terms and Conditions of Purchase

1. General and Scope of Application

- 1.1 These General Terms and Conditions of Purchase (“**Terms**”) apply to all business relationships between Continental Aerospace Technologies GmbH (“**CATG**”, “**we**”, “**us**”) and our contracting parties (“**Suppliers**”). The Terms form an integral part of all business relationships entered into by us as a “buyer”, “customer” or “principal”. Our offers are always made on the basis of these Terms.
- 1.2 The Terms apply primarily to contracts regarding the sale of moveable items and the provision of services (“**Products**”). Unless otherwise agreed, the version of the Terms valid at the time of the order and call-offs (referred to jointly below as “**Orders**”) by CATG communicated to the Supplier in text format (*Textform*) (recorded on a durable (electronic) medium such as e-mail or fax in readable form) will also apply to similar future contracts as a framework agreement, without CATG having to refer to them again in each individual case.
- 1.3 These Terms apply exclusively. Any varying, conflicting or supplementary general terms and conditions of business of our Suppliers or third parties are excluded. This also applies if we do not specifically object to their application in individual cases. General terms and conditions of business of the Supplier or third parties will only become part of the contract to the extent that CATG has expressly consented to their application in writing. This requirement to obtain consent also applies in particular but not exclusively if CATG accepts the deliveries unconditionally with knowledge of the general terms and conditions of the Supplier or a third party, or if CATG refers to a letter containing or referring to general terms and conditions of the Supplier or a third party. Acceptance of the Supplier’s deliveries and/or payment thereof does not imply consent to the general terms and conditions of the Supplier.
- 1.4 We will inform the Supplier without delay about any changes to our Terms.
- 1.5 If special terms and conditions are agreed for Orders and/or contracts, these Terms will apply additionally and, in the event of any inconsistencies or discrepancies, the special terms and conditions will prevail.
- 1.6 The Supplier acknowledges the exclusive applicability of our Terms for the duration of the entire business relationship by confirming the instruction or Order at the time of execution of the instruction or Order at the latest.
- 1.7 The Terms only apply if the Supplier is an entrepreneur (*Unternehmer*) (section 14 German Civil Code (*Bürgerliches Gesetzbuch*)), a legal entity governed by public law or a special public fund (*öffentlich-rechtliches Sondervermögen*).
- 1.8 Any legally relevant declarations and notifications by the Supplier in relation to the contract (e.g., order confirmations, setting of deadlines, reminders and terminations) must be made in writing, i.e., in signed written form or text format (e.g., letter or e-mail). Any legal formal requirements and other claims for documentary evidence, including for example where doubts exist as to the legitimacy of the declarant, remain unaffected.
- 1.9 Orders, contracts, agreements and any variations or additions to these must be in writing and signed. Orders may also be in text format (e.g., by data transmission or fax). Moreover, any deviations from Orders, contracts and agreements will only become effective once we have provided our prior written consent.

2. Quotations

The quotations made to us by the Supplier must correspond to our requests. They will be free of charge and without obligation for us. Should the Supplier’s quotations deviate from our requests, the Supplier will be required to specifically point out these deviations to us in writing. Furthermore, the Supplier is required to notify us in writing about any obvious errors (e.g., spelling and calculation errors) and unclear

and incomplete points in our requests immediately after discovering these so that they can be corrected or any missing details added.

3. Conclusion of Contracts

- 3.1 Orders by CATG will be deemed binding at the earliest when submitted or confirmed in writing and received by the Supplier. The Supplier is required to point out any obvious errors (e.g., typing or calculation errors), unclear points and incomplete details in the Order to CATG, including the order documents, so that they can be corrected or supplemented before acceptance; otherwise, the contract will be deemed not to have been concluded.
- 3.2 Our Orders include all information given in the Order (including but not limited to information on product specifications) as well as all information contained in the attachments to the Orders and other documents referring to our Orders, e.g., in illustrations, drawings, CAD information, performance descriptions, etc., all standards mentioned in the Orders as well as any documents and tests requested.
- 3.3 Unless otherwise stated in our Order, the Supplier is entitled to accept the Order within a period of ten (10) business days of receipt by written confirmation (e.g., order confirmation). The requirement of written form is also met if the confirmation is sent by fax or e-mail. Delayed acceptance will be deemed equivalent to a new quotation and is subject to acceptance by CATG.
- 3.4 If the Supplier accepts our Order with a deviation, the Supplier will be required to explicitly inform us of this deviation. In this case, the acceptance by the Supplier will be deemed to be a new quotation and a contract will only come into effect upon our written acceptance.
- 3.5 The Supplier will notify CATG in text format without delay about any changes, amendments and/or extensions to the scope of performance that prove necessary in the course of the performance of the contract on the basis of the information available to the Supplier. Such changes, amendments and/or extensions require the prior consent of CATG in text format.

4. Changes to the Scope of Orders/Contents of the Contract

We are entitled to require changes and corrections to the Order, including, without limitation, with regard to design, scope of performance (e.g., quantity or delivery time) and manner of execution following conclusion of the contract – but only until the Product is sent out for delivery or, if a Product is to be specially manufactured for us, only until the Product is manufactured to the extent that this is reasonable for the Supplier. Such changes and corrections, including those requested by us due to technical progress, are included in the price to the extent that they can be carried out by the Supplier without significant expense.

5. Assignment of Rights and Obligations

- 5.1 CATG may transfer the contractual rights and obligations in whole or in part to third parties with the Supplier's consent. The Supplier will consent to such transfer if the transfer does not lead to an economic disadvantage for the Supplier and the transfer is not made to one of the Supplier's direct competitors. The Supplier's consent is not required if the third party is an affiliated company of CATG within the meaning of section 15 et seqq. German Stock Corporation Act (*Aktiengesetz*), unless such company is a direct competitor of the Supplier.
- 5.2 The Supplier may only transfer or assign its rights and obligations under the contract to any third party with the prior written consent of CATG. This is without prejudice to section 354a German Commercial Code (*Handelsgesetzbuch*).

6. Status of Sub-Suppliers

- 6.1 The Supplier may not arrange to have the contractual obligations assumed by it performed by third parties ("**Subcontractors**"), whether in whole or in part, without our prior written consent. If CATG has given its prior written consent, the Supplier will remain fully responsible for the performance of the contract. Subcontractors will be deemed to be agents (*Erfüllungsgehilfen*) acting on behalf of the Supplier within the meaning of section 278 of the German Civil Code and their names are to be provided to us upon request.
- 6.2 If CATG has given its prior written consent and the Supplier awards a contract to a Subcontractor, the Supplier will be required to also implement the contractual terms and conditions of these Terms, the Order and the contract in relation to its Subcontractor.

- 6.3 CATG may require the Supplier to provide CATG with the agreements to be concluded between the Supplier and its Subcontractor in German or English and to agree on an exception to any confidentiality obligation that may exist to this effect.

7. Quality of Goods, included Services

- 7.1 The basis of all contracts are the qualities and characteristics agreed with the Supplier and, where applicable, further product specifications, agreed product qualities, technical drawings and other product-specific documents. The production samples approved by the Supplier and CATG will also form the basis of the contract.
- 7.2 The Supplier warrants that its Products will be of the best quality in terms of material and workmanship in accordance with generally accepted engineering practices and that they will comply with our specifications and the product specifications provided by us, e.g., drawings or CAD data. The Supplier also warrants that the Product will have the warranted characteristics and the agreed quality, comply with generally accepted engineering practices and the applicable legal requirements and will not be defective. Prior to delivery of the Products, the Supplier will carry out a thorough functional and quality check (this includes in particular testing the Products in accordance with general German industrial standards) and sufficiently document all measures taken to satisfy these obligations. The Supplier will retain the documentation for fifteen (15) years and grant us access to the documentation at any time upon request. In addition, the Supplier will inform CATG about any relevant changes in the state of the art if such changes have an influence on the agreed Products.
- 7.3 Any deviations or changes in the product specifications and/or product composition compared to the agreed product specifications and/or product composition (e.g., changes in the composition of the materials processed or in the structural design compared to previous similar Products as well as deviations from our specifications) require our prior written consent. We are not obligated to examine Products to ensure that they are the same. Instead, the Supplier will take all necessary measures with regard to manufacturing, testing and packaging in its sole discretion and on its own responsibility to ensure that the requirements set by us are complied with at all times. The Supplier will expressly notify us about any deviations from or modifications to the product specifications and/or product composition and about any effects and risks for the agreed qualities of the Products resulting from this. In addition, the deviating or modified product specifications and/or product composition must be approved by CATG with the aid of new quality and safety tests, adjustment of the specifications, product approval samples and certificates.
- 7.4 The Supplier must notify CATG in writing without delay about any changes in the location of the Supplier's production facility or its production process or any adjustment to the specific settings for the production process made by the Supplier after the production facility and/or production sample underlying the contract have been approved. Any changes to the process and effects resulting from this as well as any risks for the agreed qualities and characteristics of the Products are to be explicitly listed in the notification. Any additional costs incurred by CATG as a result of the changes initiated by the Supplier are to be borne by the Supplier.
- 7.5 The Supplier warrants that all applicable legal requirements relating to quality, packaging and delivery of the Products will be complied with. The Supplier further warrants that the scope of delivery and performance will include all statutory safety and protective devices prescribed by the supervisory authorities, the employers' liability insurance associations and the relevant trade associations, all applicable laws, regulations and technical instructions, regulations of the German Institute for Standardization (DIN) and provisions of the Association for Electrical, Electronic & Information Technologies (VDE) as well as any other relevant regulations, as amended from time to time, and that these will be complied with and observed.
- 7.6 Even if initial sample inspections were successful, the Supplier will be required to check the quality of the Products on a continuous basis and carry out regular qualification tests and inform CATG in writing about the results of these tests at regular intervals. In addition, the parties will inform each other about any steps take to improve quality.

8. Repeat Orders, Sales by Sample

- 8.1 In the case of repeat Orders for the same Products, the properties and characteristics of the last Order executed for these Products will be deemed to have been agreed between the parties for the newly ordered Products unless we receive written notification to the contrary from the Supplier within ten (10) business days of the date of the Order.

8.2 In the case of sales based on a sample, our approval of the sample must be given in writing (“**Approval**”). Silence on our part will not be deemed as approval, but as rejection. If the sale takes place on the basis of a sample, CATG’s written approval is required before production of the Products can be commenced.

9. Licenses, Permits, Rights of Use, Third-Party Rights

9.1 The Supplier undertakes to obtain all necessary licenses and permits and other authorizations required to be able to sell the Products on the market.

9.2 CATG may use the Products including the underlying intellectual property rights for itself and for the beneficiaries without any restrictions. This right of use will also entitle CATG or CATG’s designated representatives to modify and repair the Products and will also include the use of illustrations, drawings, calculations, methods of analysis, formulations and other works produced or developed by the Supplier in the course of the formation and performance of the contract. CATG may make the abovementioned documents available to third parties for the purpose of maintenance and/or reproduction of replacement and spare parts. The Supplier warrants that the rights of third parties, including but not limited to those of its Subcontractors, do not conflict with the granting of the right of use and will indemnify CATG against any claims in the event of a culpable breach of this obligation.

9.3 The Supplier will also be liable for any claims arising from the infringement of intellectual property rights and applications for intellectual property rights where the Product delivered or parts thereof are used in conformity with the contract. The Supplier will indemnify us against all claims arising from the use of such intellectual property rights, including court costs, lawyers’ fees and expenses in possible legal disputes.

9.4 The Supplier warrants that the Product or its use will not infringe any proprietary rights, copyrights or other intellectual property rights of third parties (in particular rights relating to trademarks, company designations, other names, patents, utility models or designs).

9.5 In the event that the Product or its use infringes any proprietary rights, copyrights or industrial property rights of any third party, the Supplier will:

- notify CATG in writing without delay after becoming aware of the infringement of such rights,
- in its own reasonable discretion and at its own expense, either procure the right to use the Product without any encumbrances for CATG or modify or replace the Product without delay in such a way that no third-party rights are infringed any more but the Product continues to meet the contractually agreed requirements, functions and quality (including, without limitation, the agreed quality requirements and characteristics as well as the technical data). If the Supplier does not succeed in doing so within a reasonable period of time, CATG will be entitled to cancel the contract or to terminate the contract for good cause (without prejudice to any further rights), and
- CATG and all beneficiaries will furthermore indemnify CATG upon first request against all claims by third parties in connection with the infringement, unless the Supplier is not responsible for the infringement or the claims of the third party have become time-barred.

10. Documents and Confidentiality, Provided Materials, Tools

10.1 All business or technical information made accessible by us (including features that can be inferred from any items, documents or software handed over to the Supplier and other knowledge and experience) must be kept confidential from third parties unless it is demonstrably public knowledge, and may only be passed on by the Supplier to members of its workforce who need to be involved in its use for the purpose of supplying us and who are also obligated to maintain confidentiality; this information remains our exclusive property. Such information may not be reproduced or used commercially, except for deliveries to us, without our prior written consent. At our request, all information originating from us (including, where applicable, any copies or records made) and items provided on loan must be returned to us promptly and in full or destroyed. We reserve all rights to such information, including copyrights and the right to register industrial property rights. Any specific non-disclosure agreements and statutory regulations regarding protection of trade secrets remain unaffected by this provision.

10.2 Any items that are manufactured on the basis of documents drafted by us, such as drawings, construction plans, models or similar, or on the basis of our confidential information, may neither be used by the Supplier itself nor offered or delivered to third parties. This also applies by analogy to our printing orders.

10.3 Any materials provided by CATG, including but not limited to devices, documents, materials, software, finished and semi-finished products, tools, samples, models, templates, drawings and other means of

production as well as materials for molds, test set-ups, machines, equipment, submissions and other items (collectively, "**Provided Materials**") will remain our property. The Provided Materials and any Products that have been manufactured from them and not yet delivered are to be marked by the Supplier as the property of CATG and stored separate from any third-party property at its own expense. The Provided Materials are intended for exclusive use by CATG and may only be used for their intended purpose. The processing or transformation of Provided Materials will be carried out on our behalf. In such cases, the Supplier will not acquire title to the Provided Materials. The parties agree that we are joint owners of the Product manufactured using the Provided Materials in the ratio of the value of the Provided Materials to the value of the overall Product. The Supplier will store Provided Materials carefully at its own risk and free of charge. In the event that the instruction or assignment is passed on to Subcontractors, the Supplier will also be obligated to enter into an agreement with such Subcontractors in favor of CATG with the same contents and an agreement obliging the Subcontractor to unconditionally hand over the new, uniform item to CATG at any time.

- 10.4 The Provided Materials and any Products that have been manufactured from them are to be handled with care by the Supplier until such time as they are handed over in full by the Supplier to CATG. The Supplier must insure the Provided Materials and Products at its own expense in full at replacement value against the usual risks, in particular but not exclusively against damage by fire, water and theft. If maintenance and inspection work is required, the Supplier must carry it out in good time at its own expense.
- 10.5 The Supplier must notify CATG in writing without delay if rights of CATG to the Provided Materials or Products that have been manufactured from them and not yet delivered should be adversely affected by attachment or other measures taken by third parties. The Supplier will enclose all the documents need for intervention in its notification (e.g., in the case of attachment including a copy of the attachment order and an unsworn declaration stating that the attached items are identical to the items assigned under this contract and to what extent). The Supplier will inform attachment creditors and any other third parties about CATG's rights to the Provided Materials and/or Products in writing without delay.
- 10.6 Notwithstanding any other agreements, we will receive full or joint ownership to tools depending on the extent to which we share in the proven costs for tools used to manufacture the Product. The preceding sub-clauses apply by analogy.

11. Deliveries, Delivery Periods and Delays in Delivery

- 11.1 Agreed delivery dates and delivery periods are binding. The time the Products arrive at the place of receipt specified by us will be decisive for compliance with the delivery date or delivery period. The Supplier is required to report any recognizable delays in delivery to us without delay.
- 11.2 If agreed delivery dates and/or delivery periods are not met, the Supplier will be in default without the need for a reminder if the agreed delivery dates and/or delivery periods directly or indirectly specify a certain date.
- 11.3 In the event of default on the part of the Supplier, we will be entitled to the claims and rights set out in the statutory provisions, including the right to cancel the contract and the right to claim damages; this includes, without limitation, our right to cancel the contract in whole or in part after the expiration of a grace period (except where we have agreed a fixed date) in the event of non-compliance with delivery dates and/or delivery periods, even if the Supplier is not at fault.
- 11.4 If the Supplier defaults on delivery, we will be entitled to claim a contractual penalty from the Supplier. This will amount to 0.5% of the relevant net order value of the Product that is delivered late for each new calendar week of the delay, but no more than a total of 5% of the net order value of the Product that is delivered late. CATG reserves the right to prove that greater damage has been incurred. The Supplier reserves the right to prove that no damage at all or only significantly lower damage has been incurred by us. The agreement of the contractual penalty or its enforcement will not affect our statutory claims. Any contractual penalties paid are to be set off against claims for damages.
- 11.5 In the event of default on the part of the Supplier, we will be additionally entitled to require delivery of the partially completed Product and to complete the Product ourselves or have it completed by third parties; these partial services will be reimbursed in accordance with the agreed prices of the Products provided. Acceptance of the partially completed Product will not exclude the right to cancel with regard to the rest of the delivery. The Supplier will reimburse us for the damage caused by the delay in delivery,

including any necessary and reasonable additional costs for procuring replacements or for completion of the Product by us or third parties.

- 11.6 Partial deliveries are not permitted unless we have expressly agreed to them or they are acceptable for us. The same applies to over- and under-deliveries.
- 11.7 Our unconditional acceptance of a delayed Product will not constitute a waiver of the claims for compensation to which we are entitled on account of the delayed delivery or service. This will apply until the remuneration owed by us for the Product concerned has been paid in full.
- 11.8 If the fulfilment of our contractual obligations becomes substantially more difficult or impossible in the event of force majeure or other unforeseeable, extraordinary circumstances for which we are not responsible (e.g., war, blockades, fire, strikes, lockouts, operational disruptions, pandemics, epidemics, quarantine or official interventions), these obligations will be suspended for the duration of the force majeure or other circumstances. If the duration of the force majeure or other circumstances exceeds 30 days, we may cancel the contract in whole or in part. In this case, the Supplier will have no claim to counter-performance. Other rights of cancellation remain unaffected.

12. Shipment and Transfer of Risk, Packaging, Delivery Notes

- 12.1 Unless otherwise agreed, delivery will be made DDP INCOTERMS® 2020 to the place of receipt specified by us in the Order ("**Place of Destination**"). If the Place of Destination is not specified and nothing else has been agreed, the delivery or service is to be made at CATG's place of business.
- 12.2 The risk of accidental loss or deterioration of the Product will pass to us at the time of delivery of the Product to CATG at the Place of Destination. If acceptance is governed by law or contractually agreed, this will be authoritative for the transfer of risk. The Products will be exclusively subject to formal acceptance by CATG. Acceptance is to be recorded in writing or text format.
- 12.3 When selecting packaging, the Supplier must exercise the standard of care of a prudent businessman and comply with our wishes, the method of shipment and commercial customs. The Supplier is required in particular pack the Products in a manner that ensures that they are preserved and protected, i.e., to pack the Products in such a way that damage is avoided during transit. Packaging materials may only be used to the extent necessary to achieve this purpose. Only environmentally friendly packaging may be used. The Supplier is responsible for providing evidence of suitable packaging. Each container must contain a packing slip on which the order number and delivery note number are noted.
- 12.4 The costs of packaging will be borne by the Supplier. The Supplier will provide the packaging material free of charge. The Supplier will ensure that the transport packaging is taken back and recycled free of charge.
- 12.5 If the price does not include packaging according to the agreement made and packaging (that is not just provided to us on loan) is invoiced to us separately, we will be entitled to return this packaging to the Supplier carriage paid after receipt of the corresponding Products, provided it is still in a reusable condition, in return for 2/3 of the amount in invoice attributable to packaging.
- 12.6 If transport is carried out for CATG's account on the basis of a separate agreement, the means of transport most favorable to CATG is to be selected unless specific terms and conditions of transport have been expressly agreed. The Supplier is required to pack the Products in a manner that ensures that they are preserved and protected. In particular, the Products are to be packed in such a way that damage is avoided during transit. Packaging materials may only be used to the extent necessary to achieve this purpose. Only environmentally friendly packaging may be used.
- 12.7 The Supplier will enclose delivery notes in duplicate with the shipment. The delivery notes must contain: delivery note number, order number (if available), order date, quantity details, article description, verification documents, place of delivery and the supplier/vendor number provided by us. If the delivery note is missing or incomplete, CATG will not be responsible for any delays in processing and payment resulting from this. CATG should be sent a corresponding dispatch note with a delivery note on the day the Products are dispatched separately from the delivery note. Signing the delivery note does imply any acknowledgement that the Products delivered are in conformity with the contract and does not constitute acceptance.
- 12.8 Where delivery may be made exempt from VAT, the Supplier will be required to provide the necessary evidence or to assist in the provision of such evidence.

13. Prices

- 13.1 The prices quoted by CATG in the Order are binding. Unless otherwise specified by CATG (including, without limitation, in the Order), all prices quoted by CATG are DDP place of destination INCOTERMS® 2020.
- 13.2 All prices are in euros and include statutory value added tax, if not stated separately.
- 13.3 Unless otherwise agreed, the prices are fixed prices and exclude additional claims by the Supplier of any kind.
- 13.4 The prices include all services and performance (including, without limitation, the granting of rights of use) and ancillary services by the Supplier (e.g., customs, assembly and installation) and all incidental costs (e.g., costs for customs formalities, costs of transport including proper packaging and transport packaging as well as possible transport and third-party liability insurance). If the price does not include packaging and packaging according to the agreement made and the remuneration for the packaging (that is not just provided to us on loan) is not explicitly defined, this is to be charged at the verifiable cost price.
- 13.5 The following arrangements apply to remuneration agreed on a time basis: CATG owes remuneration for the time actually spent on the agreed Products. Unless otherwise agreed, the times are to be recorded accurately in blocks of fifteen minutes. The costs of materials will not be paid for separately. Invoicing will be carried out on the basis of activity records. The exact procedure used to record services will be specified separately (e.g., in the Order).

14. Invoices

- 14.1 Invoices are to be sent in duplicate to the invoice address stated in the Order after the contractually agreed delivery and service has been provided, with a separate invoice for each Order; invoices are to be issued specifying our complete order details and other identifying information. In particular, the order number, dates, delivery note numbers and, if available, order item numbers must be specified; in addition, all invoicing documents (parts lists, proof of work and measurements, etc.) should be enclosed. If the Supplier does not have an order number, it is essential to provide an instruction reference or enclose another document instructing the Supplier. The invoice must also contain all legally required information and the same data as the delivery note as well as the contractually agreed prices and total price. Should the Supplier fail to comply with these conditions, CATG will not be responsible for any delays in processing of invoices and settlement of payments resulting from this. If individual order data is missing and payment is delayed as a result, the agreed payment periods will be extended by the duration of the delay. In addition, we reserve the right to correct the invoice or to return it to the Supplier for clarification. If payment is delayed as a result, the agreed payment periods will be extended by the duration of the delay.
- 14.2 Invoices for partial deliveries/services are to be marked "installment delivery invoice" or "installment service invoice", as applicable and final invoices are to be marked "final delivery invoice" or "final service invoice", as applicable.
- 14.3 We will only recognize invoices relating to services if they are accompanied by timesheets and material sheets confirmed by us.

15. Terms of Payment

- 15.1 Unless otherwise agreed, the agreed prices are payable within sixty (60) calendar days from full delivery and/or other performance by the Supplier (including any acceptance agreed) and receipt of an invoice in the proper form. Should we accept early deliveries, the due date will not be determined by the time of the early delivery or service, but by the agreed delivery date. If CATG pays the invoice within thirty (30) calendar days, the Supplier will grant us a discount of 3% for early payment. If payment is made by bank transfer, payments will be deemed to have been made on time if CATG's transfer order is received by CATG's bank before the expiration of the payment deadline; CATG will not be responsible for any delays caused by the banks involved in the payment transaction.
- 15.2 Payment will be made subject to verification of the invoice and will not constitute acknowledgment that the delivery/service was in the due form or free from defects.
- 15.3 CATG will be entitled to rights of set-off and retention as well as the defense of non-performance of the contract to the extent provided by law. In the event of defective contractual performance (e.g., incomplete or defective deliveries of Products), we will be entitled to withhold the payment due to a reasonable extent until proper performance, without prejudice to any warranty claims.

15.4 The Supplier may only set off or assert rights to retain if the counterclaim is undisputed or has been finally adjudged.

15.5 CATG will not be liable for any default interest. The statutory provisions will apply to any default in payment.

16. Collection of Receivables; Transfer of Title; Reservation of Title

16.1 The Supplier is not permitted to arrange for its receivables to be collected by third parties without our prior written consent, which may not be unreasonably withheld.

16.2 Ownership of Products will be transferred to CATG when the delivery reaches the Place of Destination, unless CATG has already previously acquired title to the Products or individual parts by operation of law or by separate agreement.

16.3 Transfer of title to the Product to CATG must be unconditional and irrespective of payment of the remuneration. However, if the Supplier retains ownership of the delivered Products and CATG accepts an offer by the Supplier to transfer ownership that is conditional upon payment of the purchase price, the Supplier's reservation of title will expire at the latest at the time of payment of the purchase price for this Product. We are also entitled to resell the Product in the ordinary course of business even before the purchase price is paid, assigning the claim arising from the resale (simple and extended reservation of title) in advance. All other forms of reservation of title whatsoever are therefore ruled out, including, without limitation, extended reservation of title, forwarded reservation of title and reservation of title extended to subsequent processing.

16.4 The above provision applies by analogy to any Provided Materials that CATG provides to the Supplier for manufacturing purposes.

17. Claims due to Defects, Recourse, Reimbursement of Expenses

17.1 The statutory provisions regarding material defects and defects of title will apply unless otherwise provided below.

17.2 Under the statutory provisions, the Supplier is liable in particular but not exclusively for ensuring that the Product has the agreed qualities and characteristics at the time of transfer of risk to CATG. In any event, the product descriptions that are the subject of the relevant contract, in particular by designation or reference in CATG's Order, or have been included in the contract in the same way as these Terms will be deemed to be an agreement regarding qualities and characteristics. It makes no difference whether the product description originates from CATG, the supplier or the manufacturer.

17.3 If Products have digital elements or other digital content, the Supplier is responsible for providing and updating the digital content at least to the extent resulting from an agreement regarding qualities and characteristics or other product descriptions provided by the manufacturer or on its behalf, including for example on the internet, in advertising or on the product label.

17.4 The statutory provisions apply to the commercial duty to inspect and to report defects, with the following proviso: CATG's obligation to inspect is limited to defects that come to light during CATG's incoming goods inspections when we perform a visual inspection, including of the delivery documents (e.g., transport damage and incorrect and incomplete deliveries) or during CATG's quality control during spot checks. If acceptance is agreed, there is no obligation to inspect. Otherwise, it depends on the extent to which an examination is feasible in the ordinary course of business taking into account the circumstances of the individual case. CATG's duty to report defects discovered later remains unaffected. Notwithstanding CATG's duty to inspect, CATG's complaint (defect report) will be deemed to be without delay and on time in all cases if it is sent within five (5) business days from the time of discovery or for obvious defects from the time of delivery. A business day means any day other than a Saturday, Sunday or public holiday on which bank branches in Germany are open for business.

17.5 We have the right to select the type of supplementary performance (remediating the defect ("**Subsequent Performance**") or supplying an item that is free from defects or producing a new Product that is free from defects ("**Replacement Delivery**"). The Supplier has the right to refuse the type of supplementary performance selected by us in accordance with the statutory provisions.

17.6 If the Supplier fails to meet its obligation to provide supplementary performance within a reasonable period of time set by CATG, we will be entitled (above all in urgent cases, e.g., to avert acute danger or to

avoid major damage) to remedy the defect ourselves or to have it remedied by a third party appointed by us and to claim reimbursement of the expenses required for this purpose or a corresponding advance payment from the Supplier.

- 17.7 The costs of the supplementary performance including the expenses according to section 439(2) and (3) German Civil Code and the ancillary services required for the supplementary performance will be borne by the Supplier. This also applies in particular but not exclusively to transport, travel, labor, material costs or costs for an incoming inspection exceeding the usual scope. The Supplier will also bear any costs incurred on site, e.g., for dismantling, transport, assembly, planning and documentation services, which arise in connection with the supplementary performance. The above will also apply if only parts of a delivery are found to be defective.
- 17.8 Supplementary performance also includes removing and reinstalling the defective Product, provided that the Product has been installed in or attached to another item in accordance with its nature and intended use; CATG's statutory entitlement to reimbursement of related expenses remains unaffected.
- 17.9 The Supplier will bear the expenses necessary for the purpose of testing and supplementary performance even if it turns out that there was in fact no defect. CATG's liability for damages in the event of an unjustified request to remedy a defect remains unaffected; in this respect, however, CATG will only be liable if CATG recognized or was grossly negligent in failing to recognize that there was no defect.
- 17.10 If supplementary performance by the Supplier has failed or is unreasonable for CATG (e.g., due to particular urgency, risk to operational safety or the impending occurrence of disproportionate damage), no time limit has to be set; CATG will notify the Supplier about such circumstances without delay, if possible in advance.
- 17.11 If a material defect becomes apparent within one year of the transfer of risk, it will be presumed that the defect was already present at the time of transfer of risk, unless this presumption is inconsistent with the nature of the Product or the defective condition.
- 17.12 Otherwise, CATG will be entitled to reduce the purchase price or to cancel the contract in the event of a material defect or defect of title as set out in the statutory provisions. In the event of cancellation, the Supplier will bear the costs of dismantling/removal and return freight and will be responsible for disposal. In addition, CATG will be entitled to claim damages and reimbursement of its expenses as set out in the statutory provisions.

18. Recourse against Suppliers

- 18.1 CATG's statutory rights of recourse within a supply chain (recourse against suppliers pursuant to sections 478, 445a and 445b and sections 445c, 327(5) and 327u German Civil Code) apply without limitation alongside the claims based on defects. CATG is in particular but not exclusively entitled to claim from the Supplier exactly the kind of supplementary performance (Subsequent Performance or Replacement Delivery) for which CATG is liable toward its customers in the individual case; for Products including digital elements or other digital content, this also applies with regard to the provision of necessary updates. Our statutory right to choose between remedy or replacement (section 439(1) German Civil Code) is not restricted hereby.
- 18.2 If the statutory requirements are met, we will in particular but not exclusively be entitled to claim reimbursement from the Supplier of the expenses we had to bear in relation to our customer because the customer has a claim against us for reimbursement of the expenses necessary for the purpose of supplementary performance, including, without limitation, transport, travel, labor and material costs; in addition, the Supplier will also reimburse the expenses incurred by our customers or us in the run-up to or in connection with defect liability events for the purpose of preventing, averting or mitigating damage at an early stage (e.g., recall campaigns).
- 18.3 Before CATG acknowledges or honors a warranty claim brought by one of its customers (including reimbursement of expenses pursuant to section 445a(1), section 439(2) and (3) and the second sentence of section 439(6) German Civil Code), CATG will notify the Supplier, briefly describing the factual background, and request a written statement. If a substantiated statement is not made within a reasonable period of time and if no amicable solution is reached, the claim for defects actually granted by CATG will be deemed to have been owed to its customer. In this case, the Supplier will be responsible for proving that the contrary is the case.

18.4 CATG's claims arising from recourse against suppliers will also apply if the defective Product has been further processed by CATG or another contractor, e.g., by incorporating it into another product.

19. Liability, Compensation, Product Liability and Recalls

19.1 The Supplier will be liable for all damage and consequential damage incurred by us as a result of any performance by it that is culpably in breach of contract or as a result of our terminating the contract due to performance that is in breach of contract.

19.2 If the Supplier is responsible for damage arising from a defective Product, it will indemnify us against claims by third parties to the extent that the cause lies within its sphere of control and organizational remit and it is liable itself in relation to third parties.

19.3 As part of its obligation to indemnify, the Supplier is required to reimburse any expenses pursuant to sections 683 and 670 of the German Civil Code arising from or in connection with any third-party claim, including the costs of any legal action or any recall campaigns carried out by CATG. CATG will inform the Supplier about the contents and extent of any recall measures as far as possible and reasonable and give Supplier the opportunity to comment. Any legal claims extending beyond this remain unaffected.

20. Limitation

20.1 The claims of the parties against each other will become time-barred in accordance with the statutory provisions, unless otherwise provided below.

20.2 Notwithstanding section 438(1) no. 3 German Civil Code, the general limitation period for claims for defects is three (3) years from the time of transfer. If acceptance has been agreed, the limitation period begins at the time of acceptance. The three-year limitation period applies by analogy to claims arising from defects in title, although this is without prejudice to the statutory limitation period for claims by third parties for return of property (section 438(1) no. 1 German Civil Code); moreover, claims arising from defects in title do not become time-barred in any cases as long as the third party is still able to bring the claim against us (in particular but not exclusively if the claim has not become time-barred).

20.3 The limitation periods under the law on the sale of goods, including the above time extension, apply to the extent permitted by law to all contractual claims based on defects. If CATG is also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (sections 195 and 199 German Civil Code) will apply to these unless the application of the limitation periods under the law on the sale of goods leads to a longer limitation period in individual cases.

20.4 For parts of the delivery that have been reworked or repaired during the limitation period of our claims for defects, the limitation period will start again at the time when the Supplier has fulfilled our claims for supplementary performance in full.

21. Replacement Parts

21.1 The Supplier is obligated to ensure that CATG's needs for replacements or spare parts for the Products delivered to CATG are met for a period of at least twelve (12) years from the time of the last delivery on reasonable terms and conditions customary in the trade.

21.2 If the Supplier intends to discontinue the production of spare parts for a Product delivered to CATG, it will notify CATG thereof without delay after the decision to discontinue is made. This decision must be made at least six (6) months prior to the discontinuation of production.

21.3 The Supplier should state all the unique descriptive features of the spare parts, including:

- manufacturer,
- type,
- order/article/ident number,
- measurements,
- material,
- standard designations such as DIN, IEC, ISO, etc.

22. Export Control

22.1 The Supplier is required to state our order number and all information relevant under customs and export controls law on all shipping documents and delivery notes.

- 22.2 These and the obligations below apply to all items delivered. For the purposes of Terms, items are all goods and products as well as software and technology (documents for the manufacture, use or maintenance of products or software).
- 22.3 The Supplier is in particular but not exclusively obligated to inform us of any approval requirements for exports or reexports of its items in accordance with the applicable laws, such as German, European, U.S., export and customs regulations as well as the export and customs regulations of the country of origin of its items. For this purpose, the Supplier will provide at least the following information in its quotations, order confirmations, invoices and/or delivery notes for each article delivered, stating the customs tariff number:
- the export list number according to the German export list or the position in Annex I or Annex IV of Regulation (EU) 2021/821 (“**EC Dual-Use Regulation**”). Please note: If the items are not subject to these provisions, the Supplier is required to state this separately.
 - information on other specific goods controls (e.g., country-specific embargo measures),
 - the preferential origin of its items,
 - whether the items were produced in the U.S. or produced outside the U.S. with the aid of U.S. technology or using input materials (“**U.S. Items**”). Please note: If the items were produced using U.S. input materials, the Supplier is required to specify the proportion of such input materials,
 - for U.S. Items, the Export Control Classification Number (“**ECCN**”) according to the US Commerce Control List (“**CCL**”) and a statement as to whether the items are subject to the International Traffic in Arms Regulations (“**ITAR**”), and
 - a contact person in its company for clarification of any queries by us.
- 22.4 Customs and foreign trade information will be provided by the Supplier free of charge.

23. Place of Performance, Place of Jurisdiction, Governing Law

- 23.1 The place of performance for all deliveries and services is the Place of Destination. The place of performance for payments is Chemnitz, Germany.
- 23.2 If the Supplier is a merchant (*Kaufmann*), legal entity governed by public law or a special public fund, then the courts in Zwickau will have jurisdiction for all disputes between the Supplier und CATG arising directly or indirectly from the contractual relationship. The same applies by analogy if the Supplier is an entrepreneur (*Unternehmer*) for the purposes of section 14 German Civil Code. However, in all cases CATG is also entitled to bring a legal action at the place of performance of the obligations under the contract or, where applicable, a controlling individual agreement, or at the general place of jurisdiction of the Supplier. Any overriding statutory provisions remain unaffected, especially with regard to exclusive jurisdiction.
- 23.3 All legal relationships between the parties will be governed by German law, without regard to its conflict of laws rules and the United Nations Convention on Contracts for the International Sale of Goods (“**CISG**”). Clauses customary in the trade are to be interpreted on the basis of the INCOTERMS® applicable at the time of use.

24. Severability

If any provision of these Terms and the further agreements reached is or becomes ineffective or unenforceable, whether in whole or in part, the remainder of the other Terms will remain in full force and effect. If dispositive law is not available, the parties will be required to replace the ineffective or unenforceable provision with an effective and enforceable provision whose economic effect comes as close as possible to the ineffective or unenforceable provision. The same applies by analogy to any gaps in this contract.

08/2022