

**Terms and Conditions of Purchase of the German companies
of the HARTING Technology Group
("Terms and Conditions of Purchase")**



1. Scope

(1) These Terms and Conditions of Purchase of the German companies of the HARTING Technology Group ("HARTING") only apply to entrepreneurs pursuant to Section 14 of the German Civil Code (BGB), legal entities under public law or special funds under public law which provide services commissioned by HARTING ("Seller"). They shall apply for the entire duration of the business relationship, even in the event that no express reference is made to them in future orders, particularly where HARTING orders products for the first time and declares its intention to purchase them in the future.

(2) Products are all contractually agreed, main deliverables whose type and scope are specified in the respective HARTING order.

(3) These Terms and Conditions of Purchase apply exclusively; HARTING does not accept any terms and conditions of the Seller that conflict with or deviate from these Terms and Conditions of Purchase.

2. Form of order; order confirmation; resolute condition

(1) Orders of HARTING shall be placed in text form.

(2) Within the scope of an ongoing supplier relationship, HARTING waives receipt of a statement of acceptance. Any declarations of the Seller deviating from the order must be received by HARTING within five working days. Working days are Monday to Friday, except days when the company is closed for business between December 24th and December 31st or any public holidays.

(3) Contracts concluded on the basis of these Terms and Conditions of Purchase and their performance by both parties are subject to the resolute condition that performance is not hindered by any restriction due to national or international export control regulations of the USA and the European Union.

3. Amendments by HARTING

HARTING may demand changes to the delivery date even after the contract has been concluded, provided this is reasonable for the Seller. In the event of such a contract amendment, the effects on both sides, especially with regard to additional or reduced costs, shall be adequately taken into account.

4. Shipping, Incoterms

(1) Unless otherwise agreed, deliveries and services shall be made DAP INCOTERMS@2010, named place of destination.

(2) Deliveries of goods and corresponding delivery documents shall contain the HARTING order number so that the products can be clearly identified and assigned to the respective HARTING order number.

5. Incoming goods inspection / acceptance

(1) An incoming goods inspection of the delivered products by HARTING is limited to an inspection whether the delivered quantity corresponds to the quantities ordered in each case, whether the products show obvious, externally visible transport damage and whether the delivered products correspond to the order. HARTING shall report such defects within 10 working days of receipt of the goods. All other obvious defects as well as hidden defects must be notified within 10 working days of their discovery. HARTING is under no further obligation to inspect the goods and notify defects.

(2) The incoming goods inspection does not constitute acceptance.

(3) After receiving notice of defects, the Seller is obliged to respond immediately in the form of a 3D report. An 8D report must then be sent within a reasonable period specified by HARTING.

6. Direct delivery to HARTING customers

Where the delivery is made directly by the Seller to customers of HARTING, subcontractors of HARTING or third parties named by HARTING, the aforementioned complaint period shall commence upon receipt of the complaint made by the customer, subcontractor or third party to HARTING.

7. Delays, foreign trade law

(1) Impending delays in deliveries and services must be notified immediately in text form.

(2) Where HARTING, after placing an order, becomes aware of circumstances indicating an existing or future violation of foreign trade law, it is hereby agreed that HARTING shall be granted a reasonable period in which to further review the situation. It is mutually agreed that no default of acceptance shall occur during such review period. If it is determined during the review that the conclusion and/or performance of an individual contract constitutes a violation of foreign trade law, HARTING shall be entitled to refuse performance. In such a case, HARTING shall be entitled to withdraw

from the individual contract by a declaration to the Seller, to return any services provided by the Seller or to offset them against other orders as partial services. The Seller's services shall be returned in exchange for return of considerations already paid by HARTING in respect of the Seller's services.

8. Quantity discrepancies and premature deliveries

Over-deliveries, partial deliveries, under-deliveries and changes to packaging units shall only be accepted with the prior express consent of HARTING. Storage costs necessarily incurred in case of over-deliveries and premature deliveries shall be charged to the Seller.

9. Invoicing, payment

(1) The Seller shall quote HARTING's order numbers in order confirmations, delivery notes, shipping documents, invoices and all correspondence. The Seller is responsible for all consequences resulting from culpable non-compliance with this obligation.

(2) If payment is delayed, the interest rate on arrears shall be 5 percentage points above the respective base interest rate, subject to proof of higher damage caused by default on the Seller's part.

10. Seller's product changes

(1) If the Seller intends to change the manufacturing process including the composition of preliminary products or raw materials after HARTING has placed its first order, it shall notify HARTING accordingly and in sufficient time for HARTING to be able to carry out a re-qualification test. If the said changes have the effect of altering the form, function, accuracy of fit or specifications of the articles, HARTING must be notified as aforementioned with an appropriate notice period of at least 12 months before the planned change.

(2) In determining the appropriateness of the period mentioned in 10 (1), it shall be taken into account that HARTING must be granted the opportunity of a so-called "last call", i.e. a final order to cover the planned requirement.

11. Quality assurance, right of audit

(1) The Seller is obliged to maintain a quality assurance management system that at least meets the requirements of DIN EN ISO 9000 et seq.

(2) The Seller shall permit HARTING, certification companies acting on its behalf and HARTING's customers to carry out suitable quality audits on the Seller's premises during normal business hours after giving adequate prior notice. Inspection of confidential documents may be refused.

12. Warranty

(1) The Seller warrants that all delivered products correspond to the current scientific and technical state of the art and relevant worldwide legal requirements, standards and guidelines. The Seller further warrants that all delivered products are free of material defects within the meaning of Section 434 BGB, meet the requirements specified in HARTING's order and are suitable for the intended purpose and place of use.

(2) In urgent cases or in the event of minor defects, based on its duty to mitigate damages, HARTING may carry out sorting and/or remedial work itself or have it carried out by a third party, without this limiting HARTING's further rights under the warranty. HARTING shall be entitled to invoice the costs incurred by HARTING due to such remedial work.

(3) Following the fruitless expiry of a reasonable deadline set by HARTING for providing a remedy and/or the failure thereof, HARTING shall be entitled to avail itself of all statutory rights.

(4) In order to simplify the handling of remedies within the scope of a serial delivery, the parties may agree that, instead of a remedy pursuant to Sections 437, 439 (1) BGB, HARTING will receive a credit note from the Seller in the amount of the costs of the remedy. Further claims according to Sections 437, 439 (2) BGB remain unaffected.

(5) The warranty period for material defects is 60 months after the transfer of risk. For reworked or re-supplied products, the warranty period re-commences upon the completion of the rework, in the case of re-supplied products upon transfer of risk, or, if re-acceptance has been agreed, upon re-acceptance.

13. Insurance

(1) Irrespective of any further claims for damages, the Seller is obliged to take out business and product liability insurance to an appropriate extent.

(2) The Seller is obliged to insure supplies and tools belonging to HARTING as well as property in accordance with Clause 16 for their replacement value at its own expense against fire, flood and theft.

14. Software procurement, open source software

In addition to these general Terms and Conditions of Purchase, the following applies to software:

(1) If standard software or customised standard software ("Software") has been agreed, HARTING shall acquire it as a copy of the work as defined by copyright law and in compliance with the principle of exhaustion. Insofar as this applies, any rights of use granted by the Seller shall be deemed to have been granted beyond the purchase of the copy of the work.

(2) Irrespective of the purchase of the Software as a copy of the work, the granting of a right to use the intellectual property of the Software and its scope shall be determined by the type of service and the purpose of the contract. If necessary for the intended use of the Software including error correction, the following actions (Section 69c Nos. 1 and 2 of the German Copyright Act [UrhG]), irrespective of the further rights of use, do not require the consent of the rightholder: (i) permanent or temporary reproduction in whole or in part, particularly as part of the installation, loading, displaying or running of the Software as well as the translation, editing, arrangement and other adaptation of the Software and (ii) reproduction of the achieved results.

(3) If individual software is to be created, upon its creation HARTING shall acquire an exclusive, irrevocable and sub-licensable right of use of the respective version, unlimited in time and space, for all known or future types of use, particularly use and exploitation within the scope of HARTING's business activities to the individual software as well as its documentation. This being so, HARTING shall be enabled to use and exploit the aforementioned individual software in all respects and in any conceivable way together with the documentation and source code, in modified or unmodified form, within its own company or in companies of the same group, or by transferring it or otherwise making it available to third parties.

(4) When using code in Software or individual software that is covered by an open source licence ("OSS"), the Seller shall inform HARTING independently and in writing of the use of OSS and the consequences of its use, hand over the licence conditions and take all steps to avoid jeopardising the attainment of the purpose of the contract. When using such OSS, the Seller shall in particular ensure that the programming measures required under the respective licence model are carried out so as to avoid a situation where a proprietary code to be created in accordance with the order or provided by HARTING is not covered by the respective OSS license (copyleft). It shall also ensure that the other conditions stipulated in the respective licence are fulfilled and support HARTING in fulfilling its own obligations arising from the use of this code.

15. Intellectual property rights

(1) The Seller warrants that the products and/or services supplied by it are free from defects of title for a period of five years, unless the violations are based on HARTING's specifications. At HARTING's request, the Seller shall give a guarantee that the Software or individual software and other products provided by it in accordance with Section 14 above are free from defects of title, in particular from intellectual property rights of third parties, insofar as the risk of liability for defects of title is controlled by the Seller alone.

(2) The Seller shall inform HARTING immediately in writing of any defects of title.

(3) If HARTING or a customer of HARTING is held liable for an infringement of intellectual property rights, HARTING shall be entitled to demand indemnification from the Seller against the costs, damages and expenses incurred as a result, if and to the extent that these are caused by the Seller's deliveries.

(4) If HARTING so requires, the Seller may satisfy the claim for indemnification pursuant to paragraph (3) above by (i) obtaining a right of use from the copyright owner in favour of HARTING and its customers, or (ii) modifying the parts infringing the property right or replacing them with other parts so that there is no further infringement.

(5) HARTING is otherwise entitled to the rights pursuant to Clause 12.

16. Provision of materials

(1) Materials provided by HARTING shall remain the property of HARTING and shall be stored separately free of charge, marked and managed as the property of HARTING and adequately insured, in particular against accidental loss and deterioration. They may only be used for HARTING's orders. In the event of a culpable reduction in value or loss, the Seller shall provide compensation. This also applies to the billed transfer of order-related materials.

(2) Processing or transformation of the material shall be carried out regularly for HARTING as principal, so that HARTING becomes the direct owner of the new or transformed item. If, by way of exception, HARTING is not the manufacturer, HARTING and the Seller hereby agree that HARTING shall become the direct owner of the new item. The Seller shall store the new item for HARTING free of charge with all due professional care.

17. Tools

(1) Tools, moulds, samples, models, profiles, drawings, standards, templates and gauges provided by HARTING, as well as items manufactured according to these, may not be passed on to third parties or used for purposes other than those stipulated in the contract without the written consent of HARTING. They must be secured against unauthorised inspection or use. Subject to further rights, HARTING may demand their return if the Seller violates these obligations.

(2) The Seller is obliged to carry out any necessary maintenance and inspection work at its own expense in good time. It must notify HARTING immediately in text form of any malfunctions; if it culpably fails to do so, this shall not affect claims for damages.

(3) No later than 30 September of each year, the Seller shall send HARTING a list of the materials, tools and other property belonging to HARTING held by the Seller as at the reporting date.

18. Subcontracting, reservation of consent, supplier management, prohibition of assignment

(1) If the Seller intends to use sub-suppliers, it shall obligate them in accordance with the provisions of these Terms and Conditions of Purchase. In the event that these sub-suppliers breach an obligation arising from these Terms and Conditions of Purchase, the Seller hereby assigns all resulting claims to HARTING, which hereby accepts such assignment.

(2) Subcontracting of third parties by the Seller requires the prior written consent of HARTING's Global Purchasing department.

(3) The Seller obliges its sub-suppliers and subcontractors to establish and maintain a QM system that is at least equivalent to the above requirements of these Terms and Conditions of Purchase and ensures that its services are free of defects. HARTING may demand documented proof from the Seller that the Seller has satisfied itself of the effectiveness of the QM system at its sub-suppliers and subcontractors.

(4) If quality problems arise which are caused by preliminary products or parts, the Seller shall, after prior agreement, arrange for HARTING to conduct an audit at its sub-suppliers and subcontractors.

(5) The Seller may not assign its claims against HARTING or have them collected by a third party without the prior written consent of HARTING.

19. Special conditions for works and services

(1) Insofar as the Seller performs work and services for HARTING, the provisions of this Clause 19 shall take precedence over the other provisions of these General Terms and Conditions.

(2) The specific terms of the order shall be agreed in text form based on a quotation issued by the Seller and an order placed by HARTING (the "Order").

(3) HARTING may request changes to the scope of services also after the contract has been concluded, insofar as this is reasonable for the Seller taking HARTING's interests into account. In the event of such a contract amendment, the effects on both sides, especially with regard to additional or reduced costs and the agreed dates, shall be adequately taken into account.

19.1 Service performance

(1) The Seller agrees to execute the order under its own responsibility, fully and with due care, based on the generally recognised state of the art. This also applies to the Seller's own employees.

(2) The Seller shall ensure compliance with relevant and pertinent technical standards and statutory regulations (such as the German Ordinance on Industrial Safety and Health [BetrSichVO]) for the execution of the work shown in Annex 1. The investments required in order to execute the order (e.g. official registration/approval, acquisition of relevant knowledge and certificates, etc.) shall be made by the Seller at its own expense.

(3) The Seller warrants that it will provide high-quality services and, in particular, will comply with HARTING's written quality standards (based on DIN-ISO 9001:2015).

19.2 Dates

- (1) The dates stated in the order are binding.
- (2) The Seller shall be obliged to inform HARTING immediately in writing if circumstances arise or come to its attention which indicate that deadlines cannot be met.
- (3) The Seller may only claim that HARTING has failed in its duty of cooperation if HARTING was previously reminded of such duty in writing and did not cooperate within a reasonable period of time.

19.3 Remuneration

- (1) The Seller shall receive remuneration the amount and due date of which are agreed within the scope of the respective order.
- (2) HARTING has the right to cancel an order at any time, even prior to execution of the order. In this case, the Seller is entitled to demand the agreed remuneration; however, it must accept offsetting of any amounts which it saves due to cancellation of the contract or earns or wilfully neglects to earn through the deployment of its staff elsewhere.
- (3) All payments by HARTING shall only be made to the Seller. The assignment of receivables and claims against HARTING must be expressly approved in order to be effective. Set-offs by the Seller against HARTING are only permissible if the claim has been legally established or acknowledged by HARTING.

19.4 Handover, acceptance and remuneration for performance of work

- (1) In the event that the Seller is required to produce work in accordance with Sections 631 et seq. BGB, the Seller shall notify HARTING immediately of the completion of agreed partial services and of overall performance.
- (2) After completion of the respective services or at the agreed time, joint acceptance of the works takes place in the presence of responsible and authorised employees of both contracting parties. Risk shall be transferred upon (final) acceptance.
- (3) If the Seller shows proof on the day of acceptance that the agreed performance data and warranty data have been achieved, acceptance shall be confirmed in an acceptance report.
- (4) If it becomes apparent during an acceptance test that the work has not been produced in accordance with the contract and the acceptance test is therefore failed, the Seller shall immediately do everything necessary to enable a new acceptance test to be carried out. All costs incurred due to repeat testing shall be borne by the Seller.
- (5) If a repeat acceptance test is necessary and the contractually agreed services are still not fulfilled, particularly if the agreed performance data are not proven, the contract shall be deemed not to have been performed.
- (6) If defects are discovered during acceptance which do not affect the operation of the work, acceptance can take place subject to the immediate elimination of such defects. An appropriate amount will then be withheld from the remaining payment until the defects have been remedied.
- (7) Advance payments may be agreed.
- (8) The warranty period as described in clause 12 (5) above commences upon the complete and unconditional written acceptance of the product. Payment, including unconditional payment, operationalisation, use or commissioning by HARTING does not constitute acceptance of the products. Section 640 (1) sentence 3 BGB (presumption of acceptance) shall not apply in particular within the framework of individual contracts
- (9) If the order is cancelled by HARTING at short notice (0 – 24 hours before the start of the order), the Seller shall be entitled to claim compensation in the amount of the expenses inevitably incurred by it in relation to the order and not able to be devoted to any other purpose. In addition, the Seller may demand 5% of the agreed remuneration attributable to the part of the work not yet performed.
- (10) If and insofar as no joint acceptance has been agreed, HARTING shall inspect the item forming the object of the contract after delivery or handover for obvious defects and transport damage and for quantity discrepancies. A complaint by HARTING shall be deemed to be made in good time if it is submitted to the Seller within 10 working days after delivery. For hidden defects, this notice period begins at the time the defect is discovered. HARTING has no further obligations to examine the goods or notify defects beyond those mentioned in this Clause 19.4.

19.5 On-site execution

- (1) Work to be carried out on HARTING's factory site must not hinder operations and third parties more than can be avoided. The work process

and any substantial deliveries must be agreed with HARTING's technical site manager in good time before the work commences.

- (2) Independent subcontractors who are to carry out work on HARTING's factory site must be named to HARTING in writing without exception before the work is carried out. HARTING reserves the right to object.
- (3) Upon request, the Seller shall provide HARTING with a list of the names and functions of the employees that the Seller, its agents or authorised representatives wish to deploy on HARTING's factory site. Upon request, the Seller shall provide evidence that the legally required social insurance cover is in place for its employees. Employees of the Seller or its agents or authorised representatives may be denied access to the factory site for good cause.
- (4) Site badges issued to staff must be returned immediately after completion of the work or at the end of a working day, whichever is sooner. The same applies if they are no longer required in a particular case.
- (5) The Seller shall ensure that its employees, agents and/or authorised representatives follow HARTING's instructions for maintaining safety and order, submit to the usual inspection procedures and the accident prevention regulations applicable on site and observe the house rules. By accepting the order, the Seller undertakes to observe the health and safety requirements, the relevant national occupational safety and environmental protection regulations and the relevant accident prevention regulations applicable at the time of delivery and commissioning and, moreover, the generally recognised safety and occupational medicine rules. Further requirements may arise from the respective order. If the rules and regulations of this clause are not observed, the order shall be deemed not to have been properly fulfilled. The right is reserved to claim compensation of resulting damages.

(6) Before starting work on HARTING's factory premises, the Seller shall prepare a risk assessment, record the results in writing and issue instructions to its employees on that basis. These instructions must be documented in writing and presented on request.

(7) All items brought to HARTING's factory premises as part of an individual order are subject to factory inspections. Items of the Seller which are brought to the factory premises must be clearly marked by the Seller beforehand with its name or company logo. Before delivery and removal, if specifically requested, a written list of these items must be submitted to HARTING's local representative for signature and deposited with him/her.

(8) The Seller shall strictly observe statutory and official environmental protection regulations when performing the respective contractual service. Particularly when using materials and substances liable to contaminate or otherwise adversely affect soil or water, the Seller must take precautions against leakage, etc.

19.6 Compliance with the Minimum Wage Act (MiLoG)

If a claim is made against HARTING due to a violation of the Minimum Wage Act (MiLoG) or other tax, social security or labour law requirements by the Seller, in the internal relationship with HARTING the Seller assumes sole and full responsibility for meeting HARTING's obligations as joint guarantor. This shall not apply if and to the extent that HARTING acts with intent or gross negligence. The Seller is also liable for violations of the above requirements by any subcontractors or suppliers.

19.7 Place of performance

Unless otherwise stated in the order, the place of performance shall be the delivery address or place of use requested by HARTING. In all other respects, the place of performance is the place of business of the HARTING company named in the order.

20. Confidentiality, return of documents

(1) The Seller is obliged to keep all illustrations, drawings, calculations and other documents and information received by it secret and to use them only for the stated purpose. The obtained information shall only be made accessible by the Seller to those employees who are also obliged to maintain secrecy and only to the extent necessary for the purpose of delivery to HARTING.

(2) If the Seller intends to subcontract works to a third party, this shall require the prior written consent of HARTING. Once approval is given, the Seller shall oblige the third party to observe secrecy accordingly. In the event that the third party violates the duty of secrecy, the Seller hereby assigns all resulting claims to HARTING, which hereby accepts such assignment.

(3) The duty of secrecy shall also apply for an indefinite period beyond the time of execution of the respective order, unless the Seller can

show that the information concerned: at the time of disclosure by HARTING was already generally known through no fault of the Seller, or was legally obtained from a third party, or was already known to the Seller through no doing of HARTING and without any breach of secrecy by a third party.

(4) The Seller shall return to HARTING any documents which it has received in the course of its activities without being asked and without delay upon completion of the respective order. Information stored in electronic form must be appropriately destroyed. The Seller shall not be entitled to exercise a right of retention in respect of documents made available to it by HARTING.

21. References

The Seller shall treat the supplier relationship confidentially and in all publications, such as advertising materials and reference lists, may only refer to business relations with HARTING after receiving prior written consent.

22. Corporate social responsibility, environmental protection and quality

(1) HARTING has committed itself to complying with the Code of Business Conduct and Ethics (the "Code of Conduct") according to the recommendations of the German Electrical and Electronic Manufacturers' Association. For HARTING, it is essential and fundamental to the business relationship that the Seller gives HARTING an undertaking to comply with this or an equivalent Code of Conduct. Where subcontracting is permitted, the Seller shall require all consultants, subcontractors, vendors or other third parties involved at the Seller's instigation in the performance of this agreement or in the supply chain to comply with this or an equivalent Code of Conduct.

(2) The Seller shall comply with HARTING's environmental and energy policy in its current version and the provisions of the German Hazardous Substances Ordinance (Gefahrstoffverordnung). Seller is obliged to comply with substance bans and restrictions in accordance with the applicable legal regulations, especially EC Directive 76/769/EWG, § 17 of the German Chemistry law (ChemVerbV) as well as appendice IV of the German Hazardous Substances Ordinance (Gefahrstoffverordnung).

23. Choice of law, place of jurisdiction

(1) If the Seller is a merchant, the sole place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be the registered office of HARTING. HARTING is however also entitled to bring legal action at the Seller's place of domicile.

(2) The contracts concluded or to be concluded under these Terms and Conditions of Purchase and the interpretation of these Terms and Conditions of Purchase shall be subject to German law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and the rules of international private law which refer to the CISG.

24. Severability clause

A contract concluded on the basis of these Terms and Conditions of Purchase remains binding in its remaining parts even if individual provisions of the contract or of these Terms and Conditions of Purchase are legally ineffective. This does not apply if adherence to the contract would cause unreasonable hardship for one party.