

# GENERAL TERMS & CONDITIONS OF PURCHASE

SECOP

Applicable in national and international business transactions with companies, legal entities under public law and special public funds.

## 1. Scope

- 1.1 These General Terms and Conditions of Purchase (hereinafter: "**Conditions of Purchase**") shall apply to all business transactions between Secop, Lise-Meitner-Straße 29, 24941 Flensburg as well as the affiliated companies of Secop (hereinafter: "**Secop**") and the supplier (hereinafter "**Seller**") for the delivery of products and services (hereinafter: "**contractual products**"), even if they are not mentioned in subsequent contracts.
- 1.2 "Affiliated companies" means other entities directly or indirectly controlled by Secop whether by shares or voting rights as well as any sister company of Secop.
- 1.3 Secop and its affiliated companies shall not be liable as joint and several debtors.
- 1.4 Terms and conditions of the Seller that conflict with supplement or deviate from these Conditions of Purchase shall not become part of the contract unless their application is expressly approved by Secop in writing. These Conditions of Purchase shall apply even if Secop accepts a delivery from the Seller without reservations while being aware of the Seller's conflicting or deviating terms and conditions.
- 1.5 Agreements which supplement or deviate from these Conditions of Purchase, and which are made between the Seller and Secop for the performance of a contract must be set out in writing in the contract. This shall also apply to the cancellation of this requirement of the written form.
- 1.6 Any rights beyond those provided for in these Conditions of Purchase to which Secop is entitled by law shall remain unaffected.
- 1.7 Transmission by telefax, e-mail or comparable electronic text forms shall be sufficient to comply with the written form within the meaning of these Conditions of Purchase.

## 2. Conclusion of Contract

- 2.1 Unless otherwise agreed in writing between the parties, the Seller shall provide all offers and cost estimates free of charge.
- 2.2 The Seller shall be obliged on the basis of its offer and the further agreements entered into between the parties to deliver the contractual products on the agreed conditions for the agreed term of the project or, if a project contract has not been concluded, for the term of the respective supply contract.
- 2.3 In the case Secop conducts a Request for Quotation (hereinafter "**RFQ**"), Secop reserves the right to reject all offers made and to choose freely between the offers made without an obligation to accept the cheapest offer. A RFQ may include specific contractual preconditions in individual cases. These specific contractual preconditions shall prevail over the terms stipulated in these Conditions of Purchase.
- 2.4 Secop shall generally order the contractual products by submitting orders in writing. Orders that are generated using automatic devices and, therefore, do not contain a name and signature shall be deemed to be in writing. In addition, orders may be placed electronically.
- 2.5 The terms set out in the orders (in particular, price, amount, delivery dates or delivery periods and delivery address) or the order confirmation placed by Secop shall be binding.
- 2.6 An obligation to purchase on the part of Secop shall only

exist after a legally binding order or an order confirmation has been submitted by Secop. Contractual products which the Seller has delivered to Secop without contractual basis may be returned by Secop at the Seller's expense.

- 2.7 Secop shall be entitled to demand that changes be made to the construction and design of the contractual products at any time, provided the deviations from the originally agreed specifications are necessary or appropriate and where this is reasonable for the Seller. Secop shall inform the Seller about any changes in a timely manner. Secop shall agree jointly with the Seller about which changes to make compared to the originally agreed specifications. Unless otherwise agreed, changes may only be made to the production process and/or materials after a prior sample inspection and written approval by Secop.
- 2.8 If the costs incurred by the Seller in performing the contract decrease or increase as a result of the changes to be made in accordance with clause 2.7 above, the Seller must notify Secop in writing without undue delay of the amount of the costs. The parties may demand that the agreed prices be adjusted accordingly. For this purpose, Secop shall be entitled to request clarification from the Seller regarding its price calculations and be given access to the appropriate documentation for review. If an agreed delivery date or an agreed delivery period cannot be met due to the changes to be made, the Seller shall inform Secop without undue delay.

## 3. Delivery

- 3.1 The delivery must correspond to the order in terms of execution, scope and scheduling. The delivery periods or the delivery dates provided by Secop in the order shall be binding. The delivery periods shall commence on the date of the order.
- 3.2 All deliveries of contractual products shall be accompanied by a consignment note stating: Secop's code and order numbers, date of order as well as the gross and net weights of the consignment. All invoices and other correspondence shall be duly signed and state Secop's code and order numbers, date of order as well as the gross and net weights of the consignment (where relevant depending on the type of delivery). Invoices shall specify the tariff number of the place of delivery. The packing shall clearly state the recipient's address and order reference. In the event that the aforementioned conditions are not met, the Seller shall be liable for any additional costs resulting thereof.
- 3.3 Compliance with the delivery period or delivery date shall be determined by the date on which the contractual products are received by Secop. Unless otherwise agreed between the parties, delivery of the contractual products shall take place DAP (registered seat of Secop) in accordance with Incoterms® 2020. If delivery DAP according to Incoterms® 2020 is not agreed, the Seller shall make the contractual products available in a timely manner, taking into account the usual times to be agreed with the freight carrier for loading and dispatch.
- 3.4 If it becomes apparent to the Seller that the delivery period or the delivery date cannot be met, the Seller shall notify Secop without undue delay in writing, stating the reasons for and the expected duration of the delay. The Seller's obligation to deliver on time shall not be affected by this.
- 3.5 If the Seller is in default, Secop shall be entitled to rescind the contract in accordance with the statutory provisions.

- 3.6 In the event of default, Secop may, from the date of commencement of the default in delivery, claim from the Seller a contractual penalty in the amount of 0.5% of the net order value for each commenced week of the default in delivery, but no more than 5% of the net order value in total. This shall not affect any further claims for damages of Secop. The contractual penalty shall be credited against the damage caused by default which the Seller is liable to compensate. Acceptance of a late delivery shall not constitute a waiver of claims for damages.
- 3.7 The Seller must notify Secop in good time of any changes to the maximum delivery periods (replacement times) communicated to Secop.
- 3.8 Early deliveries and services shall require written approval by Secop. Secop may return any contractual products that are delivered early at the Seller's expense or store them at the Seller's expense until the agreed delivery date.
- 3.9 Unless otherwise agreed, partial deliveries and excess or short deliveries shall not be permitted. Secop reserves the right to accept such deliveries in individual cases and charge a processing fee of EUR 40.00 to the Seller's account for the additional expenses incurred as a result of the partial deliveries. The Seller may prove that Secop did not suffer any loss or that the loss actually suffered remains significantly below this amount.
- 3.10 The Seller shall notify Secop of any special deliveries outside the regularly agreed deliveries (e.g. replacement deliveries or late deliveries).

#### **4. Initial Sample Inspections**

- 4.1 If a initial sample inspection has been agreed, the inspection shall be made where the contractual products are produced unless otherwise agreed between the Parties. If technical requirements to the inspection have not been specified in the respective delivery contract, the inspection shall be made in conformity with good practice in the industry in question in the country where the contractual products are produced.
- 4.2 The Seller shall give Secop such advance notice of a initial sample inspection that Secop can be present at the inspection. An initial sample inspection can be made even though Secop is not represented provided Secop has received proper advance notice.
- 4.3 Technical certificates, certificates, test reports, acceptance reports, initial sample inspection reports, quality control reports and other documentation must be delivered to Secop together with the ordered or requested Contractual Products. Unless the Parties have agreed otherwise, these shall be provided free of charge for Secop. The inspection records shall be considered to give a correct description of the initial sample inspection and its result unless Secop proves otherwise. If the contractual products in the inspection turn out not to be in accordance with the underlying agreement, the Seller shall without delay make sure that the contractual products are brought into conformity with the agreement. Upon Secop's request, a new initial sample inspection shall be conducted thereafter.
- 4.4 The Seller shall pay all costs of the initial sample inspection. Secop shall, however, pay all costs of its representatives, including travelling and accommodation expenses, in connection with the initial sample inspection.

#### **5. Transfer of Risk and Shipment**

- 5.1 The Seller shall bear the risk of accidental loss or destruction or accidental deterioration of the contractual products until Secop takes delivery of them ("DAP" as defined by Incoterms® 2020). If the Seller is obliged to install or assemble the contractual products at Secop's premises and to perform other services for which a particular success is owed, the risk shall not pass to Secop until acceptance.
- 5.2 Each delivery must be accompanied by the documents

set forth in clause 3.2. If these documents are not available when the contractual products arrive, these shall be deemed not to have been delivered. Any additional costs due to noncompliance with the shipping instructions or due to accelerated transport in order to meet the agreed date shall be borne by the Seller.

- 5.3 The Seller must observe the specifications of Secop for the shipment of the contractual products. In addition, the contractual products must be packed in such a manner as to avoid damage in transit. Packaging materials must only be used to the extent required for this purpose. Only environmentally friendly, recyclable packaging materials may be used.

#### **6. Prices and Payment**

- 6.1 The agreed prices are fixed prices. Unless otherwise agreed in writing, the price shall include the cost of packaging, shipping equipment and transportation to the delivery address provided by Secop, transport insurance as well as customs and any other official duties (DAP Incoterms® 2020). The statutory value added tax is not included in the price and will be shown separately in the invoice at the statutory rate applicable on the date of invoicing.
- 6.2 Invoices shall be submitted separately for each order after complete delivery, completion of services and commissioning or, in the case of services for which a particular success is owed, after acceptance of these services. Invoices must meet the applicable statutory requirements; in particular, they must include the VAT ID number or tax number, delivery date, quantity and type of contractual products invoiced. In addition, they shall include the Seller number, delivery note number as well as the number and date of the order. Invoices that do not meet these requirements shall be deemed not to have been received on the grounds that they cannot be processed properly.
- 6.3 Unless otherwise agreed, payments shall be made within 30 days after receipt of a proper invoice. To the extent that the Seller is obliged to supply materials tests, test reports, quality documents or other documents, payment shall, in addition, only be made after receipt of these documents. In the event of a defective delivery, Secop shall be entitled to withhold payment until the delivery has been properly fulfilled without forfeiting any rebates, discounts or similar price reductions. The time allowed for payment shall not commence until all the defects have been fully remedied. If contractual products are delivered early, the time allowed for payment shall not commence until the agreed delivery date.
- 6.4 Ownership of the contractual products shall be transferred to Secop free of any encumbrances when the contractual products are paid for, at the latest. All payments shall be made to the Seller only. Extended or prolonged retention-of-title clauses shall not be permitted. Any set-off by the Seller is only permitted if the Seller's counterclaim has been established by final enforceable judgment, is ready for a decision, or uncontested. The Seller may only assert a right of retention with regard to the contractual products to be delivered if and to the extent that such right is based on claims that are uncontested, ready for a decision, or established by final enforceable judgment, and arise from the same contractual relationship.

#### **7. Group Company Set-off**

Secop is entitled to offset any claims of the affiliated companies against the Seller's claims.

#### **8. Warranty and Claims for Defects**

- 8.1 Unless otherwise agreed, the statutory warranty rights shall apply.
- 8.2 The Seller warrants that the contractual products and services supplied correspond to the latest state of technology,

the agreed specifications, the applicable legal provisions and the regulations and guidelines issued by public authorities, employers' liability insurance associations and professional associations. In particular, the Seller must comply with the EU Chemicals Regulation REACH. The Seller must inform Secop without undue delay in writing if the Seller has any concerns about the order being performed as requested by Secop.

8.3 If the items to be delivered are machines, devices, or equipment, they must meet the requirements stipulated in the special safety regulations for machinery and equipment applicable at the time of performance of the contract and must have a CE label.

8.4 The incoming goods inspection at Secop is limited to externally visible transport damages, to the determination of compliance with the quantity and identity of the ordered contractual products as well as with regard to the quality of the contractual products to random inspections.

8.5 Obvious defects shall be notified to the Seller by Secop without undue delay. Defects which become apparent or hidden during the incoming goods inspection shall be notified to the Seller within a reasonable period of time, at the latest within 14 calendar days from the discovery of the defect. To the extent exceeding this, Secop shall not be subject to any obligations to inspect or to give notice of defects.

8.6 Neither the acceptance of a delivery of contractual products nor the processing, payment for or issue of subsequent orders for contractual products which have not yet been discovered to be defective and the defects of which have, therefore, not yet been notified shall constitute an approval of the delivery or a waiver of claims for defects by Secop.

8.7 Secop's approval of drawings, calculations or other technical documents of the Seller shall not affect the Seller's responsibility for defects or the Seller's liability under any guarantee it has given.

8.8 If the contractual products contain defects, Secop may, without prejudice to the statutory claims for defects, demand subsequent performance by the removal of the defects by the Seller or, at the option of Secop, by the delivery of contractual products which are free from defects. The Seller shall bear all the necessary expenses for subsequent performance.

8.9 If the Seller wilfully or negligently fails to fulfil its obligation to subsequently perform within a reasonable period of time set by Secop, Secop may carry out the necessary measures itself, or have them carried out by a third party, at the expense and risk of the Seller. In cases where it is not possible to notify the Seller of the defect and the impending damage and also not possible to set a deadline, however short, for remedial action, on the grounds of particular urgency and/or because the damage to be expected in the absence of immediate remedial action is unreasonably high as compared to the warranty obligation, Secop shall be entitled to take the necessary measures immediately and without prior consultation with the Seller.

8.10 Claims for defects shall become time-barred 36 months after the initial registration of the vehicle or handover of the vehicle to the end Seller or installation of spare parts. Sections 438, 445b, 478 German Civil Code (BGB) shall remain unaffected. Claims for defects for parts that are installed by the Seller in vehicles that are distributed in the United States of America, Canada and Puerto Rico shall become time-barred in accordance with the longer warranty periods vis-à-vis the end customer, notwithstanding Clause 8.10 sentence 1 and sentence 2 above, upon expiry of 60 months after the initial registration of the vehicle or handover of the vehicle to the end Seller or after 70,000 miles if this has been reached at an earlier point in time. For spare parts that are distributed in the United States of America, Canada or Puerto Rico, the limitation period shall

apply mutatis mutandis from the date of the installation of the spare parts. Insofar as for products where exhaust gas, emissions or safety is relevant, the liability periods applicable according to mandatory statutory or other mandatory sovereign provisions exceed the periods specified in Clause 8.10 sentence 1 and 2 above, these shall replace the periods specified above.

8.11 The limitation period for claims of Secop for defects shall be suspended for the period of time during which the goods leave the premises of Secop for repair.

8.12 If the Seller performs its obligation to subsequently perform by making a replacement delivery, the limitation period shall commence anew for any goods supplied as a replacement after Secop has taken delivery of these goods.

8.13 Seller of contractual products for which spare parts are needed shall be obliged to supply Secop upon expiry of the limitation period for another ten years with the required spare parts, accessories and tools.

## 9. Product Liability, Insurance

9.1 The Seller shall indemnify and hold Secop harmless from and against any and all thirdparty claims arising from German or foreign product liability law that can be attributed to a defect in the product supplied by the Seller if and to the extent that the Seller is responsible for the product defect and the damage suffered according to the principles of product liability law or the recall was ordered by the authorities. This shall not affect any further claims of Secop.

9.2 In the cases set out in clause 9.1 above, the Seller shall bear all costs and expenses, including the cost of legal action (if any). In particular, the Seller shall reimburse Secop for any and all expenses which Secop incurs as a result of or in connection with any preventive measures - in particular, product warnings, an exchange of products or product recalls - which Secop takes to avoid being held liable under product liability law. Where possible and not unreasonable for Secop, Secop shall advise the Seller of the contents and scope of the measures to be taken and give the Seller the opportunity to comment thereon.

9.3 The Seller must insure against all risks arising from product liability, including the risk of a product warning or product recall, such insurance to be in the minimum amount of EUR 2,500,000.00 for each instance of liability, and, if so requested, must furnish Secop with evidence of such insurance by presenting the insurance policy. The Seller must maintain this insurance coverage, even after all mutual contractual obligations have been fully performed, for a period of ten years following the last delivery to Secop.

9.4 Secop may demand that the Seller permanently mark the contractual products it delivers, insofar as this is possible with a reasonable amount of effort.

## 10. Third-party Property Rights

10.1 The Seller warrants that the delivery and use of the contractual products does not infringe any patents, licences or other third-party property rights.

10.2 If, due to the delivery and use of the contractual products, Secop or Secop's Customer are held liable by a third party for infringement of any such rights, the Seller shall be obliged to indemnify and hold Secop, or Secop's Customers, harmless from and against any and all such claims. This duty to indemnify shall apply to all costs and expenses which are incurred in connection with Secop or Secop's Customer being held liable.

10.3 The Seller shall acquire the right to continuous use of the contractual products, replacement or modification of the contractual products so that the contractual products no longer violate the rights of third parties. If this acquisition of rights is not possible, the Seller undertakes to indemnify Secop for any loss and all costs incurred by Secop as a result of the violation or alleged violation.

## 11. Software

- 11.1 If the contractual products wholly or partially consist of software developed for Secop, Secop shall acquire all rights to such software and to the accompanying source and object code. If the contractual products contain software not specifically developed for Secop, Secop shall acquire a non-exclusive, royalty-free, transferable unrestricted and (with regard to time and geography) unlimited licence to use this software in products sold by the Secop Group. The Seller shall be under the obligation to transfer to Secop all necessary information and source code material, etc. which are necessary for Secop's use of the intellectual property rights in question.
- 11.2 The Seller shall be under the obligation for at least five (5) years from the delivery of contractual products to Secop to be able to service and maintain all material related to the intellectual property rights in question

## 12. Provision of Items and Manufacture of Tools

- 12.1 Secop shall order all kinds of means of production (such as, supplies, equipment, tools, print templates, samples, models, company standards, drawings, software and other items) generally by way of written individual orders. The Seller shall, without undue delay and in any case no later than three (3) working days after the receipt of the individual order, issue an order confirmation in which the price and the delivery date are expressly stated. Should the order confirmation deviate from the individual order, the deviations shall not be deemed agreed unless and until they are expressly confirmed in writing by Secop. The same shall apply to any subsequent changes to the contract. If Secop and the Seller have entered into a master supply agreement concerning future deliveries, individual orders issued by Secop shall be binding if not objected to by the Seller within three (3) working days after they have been received.
- 12.2 Secop shall retain title to and/or all copyrights and other industrial property rights in the means of production which are provided to the Seller for the manufacture of the contractual products or for other reasons.
- 12.3 Secop shall acquire ownership of the means of production manufactured by the Seller for Secop for which Secop pays the Seller, as well as all rights of use and exploitation relating to the resulting industrial or other property rights upon their completion, to the extent that such rights are capable of being owned. The means of production shall be marked as belonging to Secop. Secop shall provide these means of production to the Seller on a loan basis for the manufacture of the contractual products ordered.
- 12.4 The Seller shall be obliged to use these means of production exclusively for the manufacture of the contractual products ordered by Secop, or according to other requirements stipulated by Secop. These means of production may not be made available to any third party. The Seller must notify Secop without undue delay of any inquiries made by third parties. The Seller is not authorised to copy, reverse engineer or otherwise reproduce the means of production.
- 12.5 The Seller must return the means of production to Secop without undue delay and without waiting for a request from Secop at its own expense if the provision of these means of production is no longer required for the manufacture of the contractual products ordered, or if the negotiations do not result in the conclusion of a contract. The Seller shall have no right of retention with respect to the means of production.
- 12.6 Any processing or alteration by the Seller of any of the items referred to in clause 12 shall only be permitted with the written consent of and in accordance with the requirements stipulated by Secop. Any processing or alteration shall be made on behalf of Secop. If such items are processed together with other items which do not belong to Secop, Secop shall acquire co-ownership of the new item

in proportion to the ratio of the value of the item provided by Secop to the value of the other processed items at the time of processing.

- 12.7 The Seller shall be obliged to handle the means of production with due care and to properly store them; the Seller may only dispose of means of production with the written approval of Secop, even if no deliveries have been made to Secop using these means of production for a comparatively long period of time. The Seller must insure the means of production at its own expense at replacement value against damage by fire, water, and theft. The Seller herewith assigns to Secop all claims for compensation arising from such insurance. Secop herewith accepts this assignment. The Seller shall be obliged to carry out all servicing and inspection work that may become necessary and all maintenance and repair work with respect to the means of production made available to the Seller in a timely manner in consultation with Secop. The Seller must advise Secop without undue delay of any damage.

- 12.8 In countries with other legal systems in which the rules regarding ownership stipulated in this clause 12 does not have the same security effect as in the Federal Republic of Germany, the Seller herewith grants Secop corresponding security interests. If the creation of such security interests requires further declarations or actions, the Seller shall make these declarations and perform these actions. The Seller shall assist with all measures required for, and conducive to, the validity and enforceability of such security interests.

## 13. Force Majeure

- 13.1 If Secop is prevented by an event of force majeure from performing its contractual obligations, in particular from taking delivery of the contractual products, Secop shall be released from its obligation to perform for the duration of the impediment and a reasonable start-up period without being liable towards the Seller for damages. The same shall apply if it is unreasonably difficult or temporarily impossible for Secop to perform its obligations as a result of unforeseeable circumstances for which Secop is not responsible, in particular as a result of industrial action, measures taken by the authorities, energy shortage or significant operational disruptions. Foreseeable labor disputes, avoidable disruptions of the supply chain, default of upstream clauses or changes in production-related costs do not constitute an event of force majeure and do not entitle the Seller to stop its deliveries to Secop.

- 13.2 Secop shall be entitled to rescind the contract if such an impediment continues for more than four months, and the fulfilment of the contract is no longer of interest to Secop as a result of the impediment. At the request of the Seller, Secop shall declare after the aforesaid period has expired whether it will make use of its right to rescind the contract or whether it will take delivery of the contractual products within a reasonable period of time.

## 14. Liability of Secop

Secop shall be liable for simple negligence only in the event of a breach of material duties, i.e. obligations the fulfilment of which is a prerequisite for the proper performance of the contract and on compliance with which the other party to the contract normally relies on and may rely. If such obligations are breached, Secop's liability shall be limited to such damage which can typically be expected with such contract. In all other cases, liability for simple negligence shall be excluded. The above limitations of liability shall not apply to damage arising from a breach of guarantee or from death, bodily injury or damage to health, in cases of wilful misconduct or gross negligence and in cases of mandatory statutory liability for product defects.

## 15. Confidentiality

15.1 The Seller shall be obliged to treat all information about Secop that becomes available to the Seller and is designated as confidential or can be identified as a trade or business secret due to other circumstances, as confidential for an unlimited period of time.

15.2 All non-public, confidential or proprietary information of Secop, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, Customer lists, pricing, discounts, or rebates, disclosed by Secop to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as "confidential" is confidential and may not be disclosed, exploited or copied unless authorized in advance by Secop in writing. The Seller shall protect data and documents of Secop against loss and against access of third parties according to the state of the art. Upon Secop's request and at Secop's option, Seller shall (i.) promptly return all documents and other materials received from Secop or other Secop confidential information, including electronic data, or (ii) destroy all such documents, materials and confidential information, including electronic data, and certify in writing to Secop that such documents, materials and confidential information has been destroyed. Secop shall be entitled to injunctive relief for any violation of this clause. This clause does not apply to information that is: (i.) in the public domain; (ii.) known to Seller at the time of disclosure; or (iii.) rightfully obtained by Seller on a non-confidential basis from a third party.

15.3 The Seller shall enter into adequate contractual agreements with the employees and agents working for it to ensure that they, too, refrain for an unlimited period of time from any exploitation, disclosure or unauthorized recording of such trade and business secrets for their own purposes.

## 16. Export Control and Customs

The Seller shall be obliged to inform Secop in its business documents of any licences that may be required for (re-)exporting the Seller's contractual products pursuant to German, European and/or US-American export and customs regulations and the export and customs regulations of the country of origin of the Seller's contractual products. For this purpose, the Seller shall provide the following information in connection with the contractual products concerned at least in its offers, order confirmations and invoices:

- the export list number in accordance with the export list set out in the Annex to the German Foreign Trade and Payments Ordinance or comparable list items of relevant export lists;
- for US goods, the ECCN (Export Control Classification Number);
- the trade origin of its contractual products and the parts of its contractual products, including technology and software;
- whether the contractual products were transported through the USA, manufactured or stored in the USA, or manufactured using US technology;
- the statistical goods code (HS code) of its contractual products; and
- a contact person in its company who can be contacted to clarify any queries from Secop.

Upon request by Secop, the Seller shall be obliged to provide Secop in writing with all further foreign trade data relating to its contractual products and their parts as well as inform Secop in writing without undue delay (before delivery of the contractual products affected by this) about any changes to the aforesaid data.

## 17. Social Responsibility, Protection of the Environment, Secop's Code of Conduct

17.1 Secop has joined the United Nation's Global Compact initiative, which means that Secop has entered into the obligation to live up to ten (10) principles on human rights, employees' rights, the environment and corruption. Further information about the UN Global Compact initiative is available at [www.unglobalcompact.org](http://www.unglobalcompact.org). The Seller shall observe the principles of the Global Compact initiative of the United Nations. These principles essentially concern the protection of international human rights, the right to collective bargaining, the elimination of forced and compulsory labor and the abolition of child labor, the elimination of discrimination in employment and occupation, environmental responsibility and the prevention of corruption.

17.2 The Seller undertakes to comply with all applicable regulations on how to deal with employees, the protection of the environment, and safety at work and the effects of its activities on human beings. Secop expects the Seller to comply with and to respect fundamental internationally recognized standards and regulations for occupational safety, health and environmental protection, labor and human rights as well as sustainable and responsible corporate governance, whereby the Seller must at least comply with the standards of the German Code (GCGC). We have set out our detailed expectations in the the "Secop Code of Conduct" which can be obtained under [www.secop.com](http://www.secop.com)

17.3 The Seller shall respect and promote internationally recognized human and labor rights. No form of forced labor, child labor, or discrimination shall occur within its operations or supply chain. The Seller shall ensure that contractual products and their components were not manufactured – either in whole or in part – using forced labor in the People's Republic of China, in particular in the Xinjiang Uyghur Autonomous Region. The Seller is obliged to avoid the use of so-called conflict minerals and to create transparency regarding the origin of the corresponding raw materials.

17.4 The Seller must guarantee safe and healthy working conditions, fair wages, reasonable working hours, and the freedom of association and collective bargaining. The Seller warrants that it will comply with the applicable laws governing the general minimum wage and will impose the same obligations on its subcontractors. Upon request, the Seller shall provide evidence of compliance with the above assurance. In the event of a breach of the above assurance of compliance with the applicable laws governing the general minimum wage, the Seller shall indemnify Secop against claims by third parties and shall be obliged to reimburse Secop for any fines imposed on Secop in this connection.

17.5 The Seller shall comply with all applicable environmental laws and regulations, including those under German and European legislation. The Seller is obliged to reduce the emission of greenhouse gases (in particular CO<sub>2</sub>) and to protect natural resources such as soil, water and air. The Seller shall conduct ongoing due diligence on environmental impacts and commit to a transition towards net-zero greenhouse gas emissions in line with recognized international frameworks and best practices. For this the Seller is required to meet clearly defined environmental targets such as regarding the reduction of carbon emissions, the adoption of renewable energy sources, and the implementation of sustainable waste management practices. Continuous improvement of environmental performance shall be an integral part of the Seller's operations.

17.6 The Seller shall uphold the highest standards of business ethics, integrity, and transparency. It shall comply with all relevant anti-corruption, anti-bribery, and anti-money laundering laws and maintain effective internal controls to prevent unethical behavior.

17.7 The Seller is obliged to set up and maintain an accessible and effective complaints and grievance mechanism to report complaints and address any possible violations with regard to the above-described human rights or labor standards as well as environmental sustainability and/or ethical business conduct practices. The Seller must implement appropriate whistleblower protections to ensure that employees and stakeholders can report concerns without fear of retaliation.

17.8 The Seller undertakes to work towards reducing the long-term effects of its activities on human beings and the environment. For this purpose, the Seller shall implement a management system according to recognized standards (such as ISO 14001 for environmental concerns) and further develop such system, as far as possible.

17.9 The Seller is responsible for a regular and transparent ESG performance reporting on the above-described concerns – namely human rights, labor rights and non-discrimination, environmental sustainability and ethical business conduct governance and practices – shall be provided, and independent third-party audits shall be permitted to verify compliance with applicable rules and standards.

17.10 The Seller must ensure cascading contractual obligations throughout its supply chain, guaranteeing that all subcontractors, business partners, and related entities are legally bound to uphold equivalent ESG commitments as included herein. This includes ensuring that human rights, labor rights, environmental sustainability and ethical business conduct are embedded in procurement decisions and supplier relationships. In the event of non-compliance, the Seller shall be granted a reasonable cure period to implement a corrective action plan.

17.11 The Seller is further obliged to disclose financial and non-financial information to Secop on request in accordance with the applicable regulations and prevailing industry practice. In particular, at the request of Secop, the Seller is obliged to provide Secop (subject to the applicable antitrust regulations) with all documents necessary to verify compliance with the provisions in this clause 17. These documents may include in particular: (i.) commercial invoices, (ii.) production documents, (iii.) payroll information (timecards or payroll deductions from factories abroad); (iv.) video and/or photographic evidence of the goods produced in the factory in China (or elsewhere abroad), (v.) parts lists, (vi.) purchase contracts and orders and/or (vi.) delivery documents.

17.12 Secop reserves the right to withdraw from existing contracts or to terminate them without notice in the event of serious violations of the law by the Seller or violations of the provisions in clause 17. The right to claim damages remains unaffected.

## 18. The Seller's Liability during Visits at Secop's Premises

If, as part of an agreement with Secop, the Seller's employees are present at Secop's premises, the Seller and its employees shall make themselves familiar with and observe the rules and procedures on the environment and safety set by Secop. The Seller shall indemnify Secop for any damage to the Secop's property and staff arising as a result of the Seller's employees' negligent or wilful behaviour.

## 19. Governing Law/Place of Jurisdiction

19.1 The legal relations between Secop and the Seller shall be governed by German law under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

19.2 The exclusive place of jurisdiction for all disputes arising from the business relationship between Secop and the Seller shall be the registered office of Secop. However, Secop shall also be entitled to commence legal proceedings at the registered office of the Seller and at any other permissible place of jurisdiction.

19.3 In international, cross-border business transactions, the parties may choose between recourse to the ordinary courts and recourse to an arbitration tribunal for all legal disputes arising from or in connection with this contract and its execution.

19.4 If the Parties choose recourse to the ordinary courts, clause 19.2 applies.

19.5 If the parties choose recourse to the arbitration tribunal, a final decision shall be made on all disputes arising from or in connection with this contract in accordance with the Rules of Arbitration of the German Institution of Arbitration (Deutsche Institution für Schiedsgerichtsbarkeit e.V. or DIS). This arbitration agreement shall be governed by the laws of the Federal Republic of Germany. The Rules of Arbitration can be viewed at <https://www.disarb.org/werkzeuge-und-tools/dis-regeln> in languages including German, English, French, Spanish, Chinese, Russian and Turkish.

19.6 The arbitration tribunal shall consist of three arbitrators with German nationality. Unless otherwise agreed by the Parties, at least one of the individual arbitrators must have studied law in Germany. The arbitrators must have a good command of the language of arbitration.

19.7 The language of arbitration shall be German unless the parties have agreed upon another language of arbitration.

19.8 The seat of the arbitration tribunal shall be the registered office of Secop.

## 20. Miscellaneous

20.1 The Seller is not authorised to have any order, or material parts of an order, carried out by a third party unless the Seller has obtained the prior written consent of Secop.

20.2 Rights and obligations of the Seller may only be assigned or transferred to a third party with the written consent of Secop.

20.3 The contractual language shall be English.

20.4 The place of fulfilment for all obligations to be performed by the Seller and Secop shall be the registered office of Secop.

20.5 The English language version of these Conditions of Purchase shall be authoritative.

### Secop GmbH

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