

# General Purchasing Conditions

## 1 Scope

- 1.1 We submit orders exclusively on the basis of these General Purchasing Conditions ("GPC"). Other provisions, particularly the terms and conditions of the Supplier, do not apply regardless of whether or not we have expressly rejected them. The acceptance of deliveries without reservations or the performance of a contractual duty by us does not signify recognition of the terms and conditions of the Supplier.
- 1.2 Agreements made between the Supplier and us in individual cases take precedence. These require the written form in order to be effective, in the same manner as the GPC as well as modifications, additions, or cancellations of agreements between the Supplier and us. This also applies to the cancellation of this written form requirement. A simple email is sufficient for compliance with the written form requirement.
- 1.3 The GPC only apply to entrepreneurs, legal entities under public law, or public-law special funds within the meaning of Section 310 (1) of the German Civil Code (BGB). The GPC also apply for all future transactions with the Supplier.
- 1.4 Insofar as the GPC do not specify otherwise and no other form is prescribed by law, a simple email serves to satisfy the written form requirement.

## 2 Orders, Contractual Conclusion

- 2.1 Orders are only legally binding if we issue them in writing. Orders made verbally or by telephone require a subsequent written confirmation from us in order to be effective.
- 2.2 The Supplier is obligated to accept our order by means of a binding order confirmation within a maximum period of one week.

## 3 Prices, Payment Terms

- 3.1 The prices agreed are fixed prices. They apply for "free house" delivery (DDP INCOTERMS® 2010), including packaging, to the delivery address specified in the order, and do not include statutory value added tax (VAT) if this is displayed separately in the invoice. Price increases relative to the agreed prices require our express written consent.
- 3.2 Invoices must be prepared with all necessary evidence and reference to the order date. Delays due to noncompliance with these provisions shall be at the expense of the Supplier. Payment periods in such cases do not begin before the submission of verifiable invoices.

Any excesses or shortfalls in performance must be listed separately in the respective invoice.

- 3.3 If no deviating payment conditions have been agreed, we can make payments within 14 calendar days with the deduction of a 2% discount net plus the applicable statutory VAT. Alternatively, we can make payments within 45 calendar days net with no deduction plus the applicable statutory VAT. These periods begin after receipt of the proper invoice, but not before delivery in full. In the event of a deficient delivery, the period will not begin before a delivery free of deficiencies is made.

- 3.4 Performance of payment by us does not constitute recognition of conditions or prices that were not agreed in advance in writing. The time of payment has no influence on the complaint and warranty rights to which we are entitled.

## 4 Delivery, Delivery Dates and Periods, Contractual Penalties

- 4.1 Deliveries inside Germany are made "free house" (DDP INCOTERMS® 2010) to the delivery address specified in the order. International deliveries are made "free house" (DAP INCOTERMS® 2010) to the delivery address specified in the order.

- 4.2 If delivery conditions in deviation from "free house" (DDP or DAP INCOTERMS® 2010) are agreed under which the Supplier is not responsible for transport insurance and the costs thereof, we have insured ourselves against transport losses. In this regard, the Supplier must therefore notify the freight forwarder of the fact that we expressly forbid coverage with a separate transport or storage insurance policy (Section 21 of the General Terms and Conditions of the German Forwarding Trade [ADSp]) or a separate liability insurance policy (Section 29 ADSp) (together: "transport insurance policies") by the freight forwarder hired by the Supplier. If a freight forwarder charges us costs that are connected with the conclusion of transport insurance policies, we are entitled to deduct these costs from the invoice of the Supplier.

- 4.3 Agreed delivery dates and periods are binding. Compliance with these is determined on the basis of the arrival of the delivery at the delivery address / place of receipt specified in the order. If an acceptance has been contractually agreed, then the successful acceptance is the determining factor.

- 4.4 If circumstances arise or become apparent to the Supplier that, from the Supplier's perspective, will cause compliance with the agreed delivery dates or periods to become impossible, the Supplier must immediately notify us of this in writing, specifying the reasons and the anticipated delay. If accelerated transport of the goods is required in such an event in order to comply with the agreed delivery dates or periods, the Supplier shall bear

# General Purchasing Conditions

all additional expenses incurred for delays for which the Supplier is responsible.

- 4.5 If the Supplier is in default of delivery, we are entitled to exercise our statutory rights. In particular, we are entitled to demand compensation of damages in place of performance and to withdraw from the contract after the fruitless expiry of a reasonable grace period.
- 4.6 In the event of default of delivery by the Supplier, we are entitled, irrespective of other statutory claims, to demand payment of a contractual penalty of 1% of the value of the delivery affected by the default for every completed calendar week of default; however, this amount may not exceed 5% of the delivery value in total. Forfeited contractual penalties will count towards other default-related claims for compensation of damages.
- 4.7 Early delivery or partial delivery is only permitted if this has been expressly agreed in advance. Otherwise, we have the right to return the delivery at the cost and risk of the Supplier. Even if we accept such a delivery, the payment period pursuant to Section 3.3 will not begin before the agreed delivery date.

## 5 Packaging, Labeling, Quality Assurance

- 5.1 The Supplier must use environmentally friendly packaging materials. The Supplier's obligation to take back packages is determined based on the provisions of the German Packaging Ordinance. We make the accompanying packaging of the Supplier available for collection EXW (INCOTERMS® 2010).
- 5.2 The order references, reference numbers and other details necessary in connection with contract processing prescribed by us and specified in the order can be found in all of our dispatch notes, delivery notes, packing slips, waybills, invoices, and on the exterior packaging and other such locations.
- 5.3 The Supplier is liable for damages and assumes the costs incurred due to culpable failure to observe these processing and shipping requirements by the Supplier or by vicarious agents and sub-suppliers that it has engaged. All deliveries that cannot be accepted due to failure to observe these shipping requirements are stored at the risk and expense of the Supplier. We are entitled to determine the content and condition of such shipments by examination upon delivery.
- 5.4 Furthermore, we reserve the right to refuse deliveries that are not clearly identifiable and deliveries that have a date code older than 12 months or a best-before date of less than six months at the risk and expense of the Supplier.
- 5.5 The Supplier is obligated to stockpile replacement parts for the goods for the period of the goods' empirically determined lifespan. In the event of PCN (product

change notification) or EOL (end-of-life) notifications in relation to the goods, the Supplier is obligated to adopt suitable measures for ensuring continued delivery and to inform us of these immediately after learning of them itself. For this purpose, the Supplier must ask its sub-suppliers about planned discontinuations on a regular basis, inform us of potential alternative products, and provide us with the relevant data sheets, samples etc. without prior request. For a period of six months starting from the time of receipt of a notification of discontinuation onwards, we maintain the option of placing further orders with the Supplier under the conditions in effect as of the time of the receipt of the notification of discontinuation.

- 5.6 The Supplier must provide us with all documentation necessary for the use, setup, installation, processing, storage, operation, maintenance, inspection, repairs and servicing of the goods in due time, without prior request, and free of charge.
- 5.7 The Supplier bears sole responsibility for the quality of the goods delivered to us. Any arrangements with us regarding quality assurance measures do not relieve the Supplier from its responsibility for product quality. The Supplier is subject to the zero-defect goal and will comply with this objective by means of a corresponding outgoing goods inspection before delivery to us.
- 5.8 The Supplier possesses a quality management system in accordance with ISO 9001 or a comparable quality management system and provides us with evidence of this on request. The Supplier guarantees that the production or distribution procedures employed for the manufacture or distribution of the goods are in compliance with the state of the art and the relevant statutory provisions. The Supplier will promptly notify us before changes to the manufacturing procedures or materials of the goods so that we can review whether the change could have a detrimental impact.

## 6 Commercial Inspection and Notices of Defects

We will inspect the delivery within the scope of the incoming goods check carried out within a reasonable period in the normal course of business in regard to identity, consistency of content between individual request and delivery, and obvious and externally visible transport damages, and inform the Supplier of identifiable defects within one week after delivery or, in the case of hidden defects that are discovered, within one week after discovery. We carry out an inspection of the delivery regarding quantity, identity, and other quality deviations exclusively on the basis of the delivery documentation and the labeling on the outermost packaging of the goods. No obligation to perform a technical incoming goods inspection exists beyond this.

## 7 Warranty Rights

## General Purchasing Conditions

- 7.1 The Supplier must perform the deliveries without defects and comply with any additionally assumed warranties.
- 7.2 The Supplier is obligated to correct defects in goods immediately after it becomes aware and no later than after the notice of defect. The assertion of a defect made by us in the context of a notice of defect is sufficient.
- 7.3 After receipt of our notice of defect, the Supplier is obligated to submit a presentation on the cause of the defect, investigation of the defect, and the recommended measures for resolving the defect to us within a period of ten working days at most. If the defect does not constitute an individual manufacturing error or can be attributed to a core process, we expect a statement on this in the form of an 8D report. Irrespective of the additional statutory warranty rights to which we are entitled, we have the right to demand reimbursement for the internal processing, inspection, and sorting costs we incur until the defect has

been fully resolved, including the costs for inspection reports prepared or commissioned by us in the context of the investigation of the defect, insofar as we are not demonstrably responsible for the defect.

- 7.4 Once a notice of defect occurs, all existing inventories at the premises of the Supplier and our premises must be inspected at the expense of the Supplier. If repeat or additional inspections are required as a result of identified defects, the Supplier bears all the material and personnel costs for this; this applies to the same extent for the material certificates of the primary materials used by the Supplier.
- 7.5 We are fully entitled to statutory warranty rights in the event of defects. In particular, we are entitled to demand at our own discretion that the Supplier correct defects or redeliver/remanufacture non-defective goods as part of supplementary performance. If necessary, the associated delivery documentation should also be corrected by the Supplier immediately.
- 7.6 The Supplier must bear the costs incurred in connection with supplementary performance. Once a reasonable deadline set for correction of the defect or for redelivery has lapsed to no avail, we may withdraw from the contract, purchase replacement goods, or proportionately reduce the agreed price. The costs required for any assembly or repeated disassembly in the context of supplementary performance or redelivery are borne by the Supplier.
- 7.7 If there is imminent danger of unreasonably large damage or other special urgency – particularly in the event of an impending production stop at our premises or the premises of our customers – we are entitled to either immediately correct the defect itself or have it corrected at the expense of the Supplier without setting a reasonable deadline, provided that we have attempted

to contact the Supplier without result. This does not release us from promptly notifying the Supplier of such actions. In any event, we are entitled to demand reimbursement from the Supplier for the resulting costs, damage, and documented expenditure wasted as well as all expenses required for correcting the defect or redelivery. Additional rights provided for by law are expressly retained.

- 7.8 We reserve the right to carry out random sample inspections under AQL Class 0.40 in accordance with ISO 2859 or 3951 and are entitled to send back the entire delivery without compensation in the event that this results in the discovery that the permissible error rate under this ISO standard has been exceeded. We are likewise entitled to send the entire delivery back without compensation in the event that an error rate of 10 (ten) ppm is exceeded for catalog items or 200 (two hundred) ppm is exceeded for made-to-order parts.
- 7.9 The statute of limitations for defect claims is 36 months from delivery of the goods. In the event of supplementary performance through correction of defects or redelivery, the period is reset for the corrected defect.

### 8 Product Liability, Indemnification from Third-Party Claims, Insurance

- 8.1 Pursuant to statutory regulations, the Supplier is liable for all personal injury, material damage, and financial loss that is caused by it, its legal representatives, its vicarious agents, or its assistants in connection with the performance of its contractual obligations. If the Supplier is responsible for product damage, particularly within the meaning of the German Product Liability Act (ProdHaftG) or pursuant to Sections 823 et seq. BGB, it is obligated to indemnify us in this regard from third-party claims for compensation of damages to the extent that the root cause lies within its domain and organizational area and it is itself liable vis-à-vis third parties.
- 8.2 In this context, the Supplier is further obligated to reimburse us for any documented expenses required that result from or in connection with a recall campaign carried out by us, provided that this recall campaign is required based on statutory provisions or due to circumstances that a prudent businessperson would initiate to avoid impending damage, including non-proprietary damage. To the extent possible and within reason, we will notify the Supplier of the content and scope of the recall activities to be carried out and give the Supplier an opportunity to respond.
- 8.3 In order to ensure any claims for compensation, the Supplier must take out an insurance policy for public liability and product liability with an overall coverage amount of at least EUR 5,000,000 (five million) per personal injury / material damage and maintain it until the statute of limitations for warranty rights lapses for the last order confirmed by the Orderer. This policy must cover a suitable level of extended products liability

## General Purchasing Conditions

insurance (damage through combination, blending, processing, further processing or further treatment as well as assembly and disassembly costs) and the risk for the US and Canada.

8.4 Any further statutory claims remain unaffected.

### 9 Compliance with Legal Provisions, Export Control, RoHS, REACH

9.1 The Supplier must take care to ensure on its own authority that the goods or parts thereof to be delivered by the Supplier comply with all applicable laws, guidelines, ordinances, and other provisions and regulations by authorities and trade associations under public law.

9.2 In particular, the Supplier must ensure on its own authority that the goods or parts thereof it is to deliver are not subject to national or international export restrictions. If a good or parts thereof is/are subject to such an export restriction, the Supplier must procure at its own expense the export licenses required for global export.

9.3 The Supplier must also ensure on its own authority that the goods or parts thereof to be delivered by the Supplier are in conformity with the requirements of Directive 2002/95/EG ("RoHS") in its respective applicable version as well as the implementation of this Directive adopted in national-level provisions within the European Union and are suitable for RoHS-compliant manufacturing processes. Conformity with EU Directives 2011/65 (RoHS 2) and 2015/863 (RoHS 3) also applies.

9.4 The Supplier must also ensure on its own authority that the goods comply with the provisions of Regulation (EC) No. 1907/2006 (REACH Regulation) on the registration, evaluation, admission and restriction of chemical substances in its respective applicable version. Particularly, the materials contained in the goods are preregistered or registered if required under the provisions of the REACH regulation. Without prior request, the Supplier will provide us with safety data sheets pursuant to the provisions of the REACH regulation and/or the information required pursuant to Art. 32 and Art. 33 of the REACH regulation. This information should be sent to REACH@first-sensor.com. Suppliers whose registered office is in a country that is not a member state of the EU undertake to notify us of the corresponding REACH registration number upon order confirmation.

9.5 In the event that it is determined that the Supplier is responsible for breaching any of the provisions specified in Section 9.1 through 9.4, it expressly releases us from any liability and responsibility vis-à-vis third parties regardless of the legal grounds and assumes all damages thus incurred by us in the event of violation.

### 10 Industrial property rights

10.1 We reserve all rights of ownership and copyrights for all illustrations, drawings, calculations, and other documentation (jointly: "documentation") that is/are provided by us or that otherwise come(s) into the disposal of the Supplier in connection with the order submitted to the Supplier and contractual delivery by the Supplier. Without our prior express consent in writing, no documentation must thus be used, copied, or made accessible to third parties for other purposes. All documentation must be used by the Supplier exclusively for purposes of order and delivery processing and must be returned to us immediately following the complete conclusion of these without prior request and without retaining copies.

10.2 The Supplier ensures that no third-party property rights or other third-party rights are violated in connection with its delivery.

10.3 If a claim is asserted against us by a third party for violation of the property rights, the Supplier is obliged to indemnify us from these claims and to otherwise hold the Orderer free and harmless. This indemnification on the part of the Supplier extends to all applications that are necessarily incurred by us in connection with the assertion of claims by third parties. Other defect claims are unaffected.

10.4 The Supplier holds any industrial property rights, copyrights, patents, trademarks, utility patents, design patents, and the like that are pertinent for the goods. The Supplier grants us a non-exclusive right to use these rights globally free of charge for the life of the goods along with the right to further assign it to our customers and their customers, to the extent that this concerns marketing, assembly, installation, and use of the goods. The Supplier pledges to likewise oblige its upstream suppliers to a corresponding assignment of rights to us.

### 11 Retention of Title, Free Issue Equipment

11.1 No retentions of title of the Supplier that go beyond the simple retention of title exist.

11.2 Free issue equipment (e.g. products delivered by us for installation in the goods to be delivered) that we transfer to the Supplier likewise remains in our absolute ownership in the same manner as tools, drawings or other documentation transferred to the Supplier in connection with contractual conclusion or processing.

11.3 The Supplier processes or alters free issue equipment for us. If the free issue equipment is processed along with other property not belonging to us in this process, we obtain co-ownership of any newly created property in proportion to the value of our free issue equipment as compared to the other processed or altered property at the time it is processed or altered. If the free issue equipment is inextricably mixed or combined with other property not belonging to us in this process, we obtain coownership of the new property in proportion to the

# General Purchasing Conditions

value of the free issue equipment as compared to the other mixed or combined property at the time it is mixed or combined. If the mixing or combination causes the Supplier's property to be regarded as the main property as compared to our free issue equipment, the Supplier proportionally transfers co-ownership of the new property to us and keeps it in custody for us.

- 11.4 The Supplier may use tools freely issued to it solely for manufacturing the deliveries to be produced for us.
- 11.5 At its own expense, the Supplier is obligated to insure the tools belonging to us at replacement value against damage from fire, water, and theft. It is obligated to perform any maintenance and inspection work required at its own expense and in a timely manner. It must immediately notify us of any disturbances. Any claims to compensation for damages belonging to us are unaffected.

## 12 Confidentiality

- 12.1 Provided that we have concluded a non-disclosure agreement with the Supplier, this non-disclosure agreement applies accordingly for all information that is disclosed in conjunction with a delivery or otherwise. In all other cases, the following provisions apply:
- 12.2 The Supplier must maintain the confidentiality of all illustrations, drawings, calculations, documents and other documentation and information that are disclosed to it in connection with the delivery in verbal, written or other form and have been marked or designated as confidential or are confidential by nature ("confidential information"). This does not apply to information that (i) is generally known or publicly disclosed on a regular basis, (ii) was lawfully known to the Supplier before it received it from us, (iii) the Supplier developed independently without recourse to or use of the information received from us, (iv) the Supplier received lawfully and without an obligation to maintain confidentiality from third parties which themselves acquired the information lawfully and without an obligation to maintain confidentiality, (v) the Supplier is required to disclose on the basis of a statutory, official, or judicial order; in this event, it must notify us before the disclosure and limit the extent of any such disclosure to the furthest possible extent. The Supplier may only disclose or share confidential information with third parties with our express prior written consent. Sharing confidential information with employees and officers is only permitted to the extent necessary for the performance of the contractual obligation's incumbent on the Supplier.
- 12.3 The non-disclosure obligation also applies for an unlimited period of time after the complete processing of the deliveries. The Supplier may not use confidential information for its own purposes beyond performance of the contract. The Supplier is only permitted to make promotional references, regardless of type or scope, to the business relationship in place between us and the

Supplier, particularly reference customer designations, with our express prior written consent. The Supplier is liable for all damages that we incur as a result of a violation of the non-disclosure obligations specified above.

## 13 Right of Retention, Offsetting, Assignment

- 13.1 We are entitled to the rights of offsetting and retention stipulated by law subject to the conditions specified therein. In particular, in the event of defective or incomplete deliveries, we are entitled to withhold an appropriate partial value of the delivery in relation to the scope of the defective or incomplete delivery until the respective owed delivery has been made to us in full and without defects.
- 13.2 The Supplier is only authorized to offset or to exercise a right of retention for undisputed or legally confirmed counterclaims. The exercise of a right of retention by the Supplier is also excluded insofar as the counterclaims do not pertain to the same contractual relationship.
- 13.3 Any full or partial assignment of rights and obligations arising from or in connection with a delivery to third parties requires our prior written consent. We are allowed to assign the rights and obligations incumbent on us arising from or in connection with a delivery, particularly to an associated company within the meaning of Section 15 of the German Stock Corporation Act (AktG).

## 14 Social Responsibility and Environmental Protection

- 14.1 The Supplier undertakes to comply with the applicable statutory provisions on the treatment of employees, animal protection, environmental protection, health and safety at work and internationally recognized human rights and to make every effort to prevent adverse effects on people and the environment within its activities. In this regard, the Supplier shall comply with the principles of the UN Global Compact initiative (<http://www.unglobalcompact.org>), the International Labour Standards of the ILO (<http://www.ilo.org>), the current version of TE's policy on Supplier's Social Responsibility (TEC 1015) and with TE's Human Rights Policy (TEC 04-37), as well as with the Declaration of Principles on Human Rights (Grundsatzserklärung) in its latest version ([TE's Supplier Portal](#)) which set forth TE's expectations towards its suppliers.
- 14.2 The above-mentioned regulations relate mainly, but not in an exhaustive manner to: the abolition of child labour, forced labour and slavery of any kind; compliance with applicable health and safety rules at work, including adequate safety and protection standards, adequate organizational measures to prevent fatigue (inter alia, through adequate working hours and breaks, sufficient training and instructions); the freedom of association; the prohibition of discrimination at work, e.g., based on gender, race, caste, color of skin, disability, trade union membership, political views, origin, religion, age,



## General Purchasing Conditions

pregnancy or sexual orientation; the obligation to pay adequate salaries, at least in compliance with locally applicable minimum wage regulations; the causation of harmful soil changes; contamination of water or air; harmful noise emissions or disproportionate water consumption; unlawful deprivation of land or evictions, or the hiring of security forces who disrespect the prohibition of torture or injury to life and limb as well as the prevention of corruption.

- 14.3 The Supplier will also address the above-mentioned regulations and TE's expectations towards its suppliers as set forth in TE's Human Rights Policy (TEC-04-37) to its suppliers and do everything in its powers to bind its sub-suppliers and their sub-suppliers to abide by the same. The Supplier will also carry out related control measures at its suppliers. First Sensor AG, TE or a third party commissioned by TE may verify the compliance with the foregoing obligations and check the content of the related commitments. The Supplier shall respond to related queries under observance of applicable formalities and demonstrate its measures adequately.
- 14.4 Upon prior notice, First Sensor AG, TE or a third party commissioned by TE may carry out on-site and quality audits at the Supplier, which shall be at First Sensor AG's or TE's own costs, unless otherwise agreed. For these purposes, the Supplier shall allow access to all relevant documents, manufacturing facilities and processes. First Sensor AG, TE and any third parties commissioned by TE will treat the information obtained in the course of such audits as confidential.
- 14.5 The Supplier shall, at First Sensor AG's or TE's request, facilitate the participation of its employees in trainings on human rights and environmental matters, which are offered by the Supplier, First Sensor AG, TE or a third party on behalf of TE.
- 14.6 In case of a potential breach of the above-mentioned regulations, the Supplier shall investigate such potential breaches without undue delay and inform First Sensor AG and TE about any action taken by the Supplier. If justified, the Supplier shall also disclose its relevant supply chain to First Sensor AG and TE. In case of an actual breach, the Supplier shall, and if so requested, jointly with First Sensor AG and TE, develop and implement measures to end or minimize the respective breach.
- 14.7 In case of a breach of any obligation set out in this §14, the Supplier shall indemnify and hold First Sensor AG and TE harmless from and against claims of third parties, including the obligation to pay related fines that are imposed on First Sensor AG and TE.
- 14.8 First Sensor AG and TE reserve the right to terminate existing agreements, with or without notice, in case the Supplier: (i) repeatedly and/or despite a corresponding notification breaches the law or the aforementioned regulations, and (ii) does not demonstrate that the respective breach has been cured to the extent possible

and that the Supplier has taken adequate measures to prevent future breaches.

- 14.9 To the extent that it is reasonably possible, the Supplier shall develop and implement a management system in accordance with ISO 14001 (environmental management).

### 15 Place of Performance, Choice of Law, Legal Venue

- 15.1 The place of performance for the Supplier's obligations is the delivery address specified in the order.
- 15.2 All legal relationships between the Supplier and us are subject to the law of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 15.3 The exclusive legal venue for all disputes arising from or in conjunction with a delivery is the court responsible for the location of our registered office. However, we are also authorized to file suit against the Supplier in its own general legal venue.
- 15.4 If one or more of the above provisions is or becomes invalid, this will not affect the validity of the remaining provisions.

### 16 Other

- 16.1 We must be informed immediately in the event of a change of the Supplier's company name, the relocation of a business or a change in ownership or shareholders of the Supplier.
- 16.2 In the event of ambiguities, the German version of our GPC applies as the sole binding text for the legal validity and interpretation of the GPC.