



As per December 2022

## General Terms and Conditions of Purchase of TE Connectivity Germany GmbH for Deliveries and

### Services

#### § 1 Validity of the terms and conditions

(1) All of our orders and inquiries shall be executed exclusively on the basis of these General Terms and Conditions of Purchase. These therefore also apply to all future business relations with the supplier even if they are not expressly agreed again. Our General Terms and Conditions of Purchase shall apply in this respect in their most current and updated version. General terms and conditions of the supplier shall not form an integral part of the contractual agreement, even if we do not expressly object to them; nor shall they become valid through receiving – even in knowledge of the supplier's terms and conditions – the delivery or service without any reservation or – if a final inspection has to be carried out – accepting the delivery/service or making payments.

(2) Insofar as reference is made to the Incoterms in the contractual agreement, these shall apply in the version as published in 2010.

**§ 2 Quotations by the supplier** Quotations submitted by the supplier shall be free of charge for us and be binding on the supplier. The supplier shall adhere precisely to our request in its quotation in relation to quantity and structure and expressly point out any variations there might be.

#### § 3 Orders

(1) Orders shall only be binding on us in accordance with § 3, paragraph 2 below if they have been made in writing. Verbal and telephone agreements, subsidiary agreements or modifications must be confirmed in writing by us in order to be binding. This shall also apply to deliveries and services agreed additionally. Failure to respond to proposals, requirements etc. from the supplier shall on no account be deemed to constitute approval of the supplier's proposal by us.

(2) Each of our orders which the supplier would like to accept is to be confirmed by the supplier in writing. We shall be entitled to unreservedly cancel our orders up to the time we receive the relevant order confirmation. In the case of informal initiation of business, our written order shall be deemed as letter of confirmation for commercial purposes.

(3) We shall not recognise any order confirmation varying from our original order even if we do not expressly object to this.

(4) We shall be able to request changes to the item to be supplied or the content of the service as well as to the date of the delivery or service from the supplier, even after the contractual agreement has been concluded, insofar as this is reasonable for the supplier – with due and appropriate regard for the mutual interests concerned. In the case of such a change to the agreement, the effects on both sides, particularly with regard to additional or reduced costs as well as delivery and service deadlines, shall be taken into consideration appropriately.

(5) If the supplier is in a position to recognise on account of its specialist knowledge that an order is incomplete or that the purpose pursued by us with the order cannot be achieved through the delivery or service in question, it shall inform us of this without delay, stating the details in writing.

(6) Our orders are to be treated confidentially. The supplier may only quote us as a reference after obtaining our prior approval in writing.

#### § 4 Delivery/service time

(1) The delivery/service times and dates stated in our order are agreed in a binding manner insofar as the supplier has not expressly objected to these or we have agreed differing deadlines with the supplier. If we have not stated any delivery/services deadlines in our order, the delivery/service dates stated by the supplier shall be agreed as binding. Decisive for compliance with the agreed deadlines shall be the goods reaching us at the place of use specified by us or – if a final inspection is to take place – the time of successful final acceptance or otherwise the time of the service being provided.

(2) The supplier shall only be entitled to provide partial deliveries or partial services with our written approval. The acceptance of additional deliveries or additional services or – if a final inspection is to take place – the formal acceptance of the same shall be at our sole discretion.

(3) Should the supplier recognise that the agreed deadlines cannot be met, it shall notify us of this in writing without delay, stating the reasons and the duration of the delay. The obligation of the supplier to ensure timely delivery or service shall remain unaffected by this. Should the supplier culpably fail to meet this duty to provide notification and this results in our suffering harm, loss or damage, we shall then be entitled to demand compensation. In this respect, the supplier shall not be able to plead that it was not responsible for the delay.

(4) The acceptance of the late delivery or service or – if a final inspection is to take place – the formal acceptance of such delivery or service by us shall not comprise any waiver of entitlements or rights.

(5) If the agreed deadlines are not met due to circumstances for which the supplier is responsible, we shall be entitled to demand from the supplier, in addition to fulfilment of the agreement, the payment of a contractual penalty in the sum of 0.2% of the respective net value of the order per working day of the delay or part thereof as a minimum amount, though not exceeding a total amount of 5% of the respective net value of the order. The assertion of any further, more far-reaching claim for compensation shall remain unaffected by this; the contractual penalty shall be deducted from any possible compensation claim for default. Should we accept the late delivery or service, we must then claim the contractual penalty by the time of final payment at the latest. Furthermore, we shall, in the case of default for which the supplier is responsible after an additional period of time granted by us, be entitled to demand compensation instead of performance or obtain replacement from a third part at the supplier's expense and/or withdraw from the contractual agreement. In the case of repeated delay of delivery, we shall also be entitled after issuing a written caution in advance to withdraw from the

orders not yet fulfilled by the supplier at that point of time as a whole and with immediate effect.

(6) If the supplier is unable to meet the date or deadline due to force majeure (e.g. natural disasters, rebellion, uprising, war, fire, flooding) or other disruptions of production in its own plant that could not be foreseen or avoided by it, the delivery/service time shall be extended by the period of the disruption. This shall not apply in the case of a transaction for delivery by a fixed

date. The supplier shall only be able to invoke the aforementioned grounds if it informs us of the hindrance and the expected duration without delay. If the disruption is not just of temporary duration and final acceptance cannot reasonably be expected of us as a result of the delay, we shall be entitled to withdraw from the agreement with respect to the part not yet performed. In the case of partial fulfilment, we shall be entitled to withdraw from the agreement as a whole if we have no interest in the partial performance.

(7) The relevant statutory provisions shall otherwise apply with regard to the liability of the supplier for delays.

(8) In the case of premature delivery or performance, we shall be able to refuse acceptance of the delivery or service or – if a final inspection is to take place – the passing of such delivery or service at the expense and risk of the supplier. If we accept the delivery or service or - if a final inspection is to take place – pass the same, the supplier shall reimburse us for any additional costs resulting from this (e.g. storage or insurance costs).

#### **§ 5 Prices, dispatch, packaging, passing of risk and transfer of ownership**

(1) The prices agreed shall be fixed prices; costs for packaging, freight and transport to the shipping address or place of use stated by us shall be included in these prices. Insofar as we are to bear the transport costs according to the contractual agreement, the cheapest form of transport for us is to be chosen for the delivery.

(2) If the supplier generally reduces the prices for the items or services to be provided up to the day of delivery or performance following confirmation of the order, the reduced prices valid at the time of delivery or performance shall apply instead of the prices originally agreed.

(3) Deliveries shall be carried out free of charge to the shipping address or place of use specified by us. Dispatch shall ensue at the risk of the supplier. The risk of any deterioration, including accidental loss or destruction, shall continue to be borne by the supplier until delivery has been carried out to the shipping address or place of use desired by us. The supplier shall observe stipulations made with regard to delivery at our business premises.

(4) Ownership of the goods delivered shall pass to us on being hand over. Any extended or expanded reservation of title shall not be recognised by us.

(5) The supplier shall be responsible for due and proper packaging. Stipulations made by us with regard to packaging must be complied with.

The supplier shall otherwise be obliged to avoid superfluous packaging and thus minimise the cost to be incurred by us for the disposal of packaging.

#### **§ 6 Warranty and liability**

(1) Warranty and liability shall be in line with the relevant statutory provisions insofar as no other arrangements arise from these terms and conditions or any other written agreement exists between us and the supplier. In clarification, the liability of the supplier under other provisions contained in these General Terms and Conditions of Purchase – e.g. under § 9, Par. 1/10, § 10, Par. 1/8 and § 11, Par. 5 – shall remain unaffected by the provisions under § 6 here.

(2) The supplier shall ensure that all of the items supplied by it and all the services provided by it correspond to the state of the art in technology and comply with the relevant

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(national and European) legal provisions (especially, though not limited to, the requirements in force in relation to technical safety, industrial safety, health, accident, environmental and fire protection), the regulations and directives issued by public authorities, employers' liability insurance associations and relevant trade associations, as well as the stipulated functions and specifications. This shall also apply accordingly to compliance with all the technical data and quality standards stated in our orders, drawings and/or delivery conditions, by way of which the specified features of the service to be provided for by the supplier are defined. Should derogation from such regulations or conditions be necessary in individual cases, the supplier must obtain our approval in writing in this regard. The supplier's warranty obligation shall not be affected by such approval. Should the supplier have any misgivings with regard to the type of execution desired by us, it must notify us of this accordingly without delay. This shall also apply to any improvement or modification suggestions by the supplier regarding the delivery or service desired by us.

Insofar as we do not enter into any other agreements on the specified features of the products or work performance to be provided by it, the supplier's product details (e.g., in catalogues) or details concerning the work performance to be provided by it shall otherwise be deemed to have been agreed. Irrespective of this, the supplier shall be responsible for the item to be delivered or the work performance to be provided by it being suitable for the purpose specified in accordance with the contractual agreement.

(3) We shall not be under any obligation to examine the goods delivered and give notification of defects until full delivery has been completed and then only with regard to possible deviations in relation to identity and quality as well as in relation to externally visible damage occurring during transport. We shall otherwise only be obliged to conduct technical function tests and other tests in the form of random samples. Insofar as an obligation to give notification of a defect exists afterwards, such notification of defect shall be deemed to have taken place in a timely manner if it is received by the supplier within 14 working days of the goods being delivered in the case of obvious defects or within 14 working days of a hidden defect actually being detected or being detectable in the case of a duly performed examination. Should we reach differing agreements separately with the supplier in this regard, e.g. under a quality assurance agreement, such provisions shall then take precedence.

(4) Defects in the goods delivered or in the work performed which are notified during the warranty period, also including non-compliance with guaranteed data and the absence of assured properties or agreed qualities shall, on request, be rectified by the supplier without delay and free of charge, including all supplementary costs, through redelivery or repair of the defective products as we see fit. Defective goods shall be returned to the supplier at its expense and risk. More far-reaching legal entitlements, particularly the right of withdrawal, reduction and/or compensation claims, shall remain unaffected by this.

(5) Should the supplier culpably fail to meet its warranty obligation within a reasonable period of time set by us, we shall then

be able to take the necessary measures ourselves or arrange for these to be initiated by third parties at the supplier's expense and risk – notwithstanding the supplier's warranty obligation. In urgent cases, we shall be able, after consultation with the supplier, to carry out the repair ourselves directly or arrange to have this done by a third party at the supplier's expense. We shall be able to rectify small defects ourselves in the interests of providing our customers with a timely service without prior consultation and without this affecting the supplier's warranty obligation. The same shall apply if there is an unusually high threat of loss or damage.

(6) The warranty period shall last 36 months unless expressly agreed otherwise between ourselves and the supplier or unless the law concerning the product or work performance to be provided by the supplier provides for a longer warranty period. The warranty period shall commence, at the earliest, when the goods have been handed over to us or the third parties nominated by us at the place of receipt or use specified by us. Should final inspection and acceptance be required, the warranty period shall commence on the date of final acceptance stated by us in our declaration of final acceptance. The warranty periods shall be extended by the length of time the defective item delivered or the faulty work cannot be used as intended. In the case of subsequent fulfilment, the original warranty period shall commence for the exchanged or re-delivered items or for the newly produced work.

(7) Acknowledgement of receipt of the items delivered or acceptance or final inspection of the same shall not relieve the supplier of its warranty obligations, even in the case of our being aware of a defect.

(8) Approval of drawings submitted to us by the supplier as well as clearance of samples provided to us by the supplier shall not relieve the latter of its warranty obligations.

(9) Should a claim be made against us by any third party due to a defect or a product error in the item delivered by the supplier which necessitates mandatory replacement of said item, the supplier shall indemnify us against all claims resulting from this and actively assist us in averting such claims. For this purpose, the supplier shall hold all paperwork and documentation concerning the delivery in safekeeping for a period of at least 15 years after the delivery has been received by us and surrender the same to us at our first request. In addition, we shall be entitled to demand reimbursement of the loss or damage incurred by us from the supplier, including reasonable legal costs. Such loss or damage shall also include a precautionary recall campaign insofar as this is appropriate in the interests of our customer or for the protection of external third parties following our due assessment of the situation. The supplier shall also reimburse us for the costs of such a recall after expiry of the warranty period if such recall is carried out by us on the basis of an official order or in order to avert dangers to the life and health of product users or external third parties.

(10) The supplier shall not be entitled to make any changes or modifications to the item to be supplied after conclusion of the contractual agreement or during the supply period without our express approval. This shall also apply to the slightest changes, even where the individual

specifications, dimensions, analyses, recipes, production procedures, etc. stipulated by us remain unchanged. Changes or modifications to the product to be delivered by the supplier shall only be permissible after our declaration of written approval. Should the supplier culpably fail to meet this obligation, it shall bear all costs incurred by us or third parties as a result of such breach of obligation, e.g. for subsequent examinations and tests, expert reports, additional calculations, followup or secondary treatment, replacement deliveries, etc.

(11) If the supplier intends to introduce changes to production procedures, the composition or properties of the products, the production location, primary suppliers of materials or source products, the procedure or equipment for testing the products, or any other changes for future deliveries that are relevant to us or our customers using the item to be supplied, the supplier shall inform us of this in writing in good time, though at least 3 months beforehand or possibly earlier insofar as longer periods of notice have been agreed on the basis of the relevant industry or quality standards or where we have agreed this with the supplier accordingly.

(12) The supplier shall insure itself for a reasonable and appropriate amount against all risks arising from product liability and provide us with proof of such insurance on request.

#### **§ 7 Rights of use; third-party rights**

(1) If the delivery or service includes software, the supplier shall grant us – unless agreed otherwise – at least a nonexclusive, assignable right with no restrictions on time and territory to use and edit the software and associated documentation, as well as any updates, upgrades or other further developments and also grant sub-licences to third parties, particularly companies affiliated to us within the meaning of Art, 15 ff of German Company Law (Aktiengesetz), as well as sales agents and customers (while respecting the copyright interests of the supplier).

(2) If licence fees have to be paid for the use of the item delivered in accordance with the contractual agreement, also in conjunction or interaction with other items, such costs shall be borne by the supplier.

(3) The supplier shall give an assurance that the items delivered by it are unencumbered by any third-party rights and that the supply or use of said items in accordance with the contractual agreement, also in conjunction or interaction with other items, shall not lead to the infringement of any patents or other industrial property rights of third parties within the Federal Republic of Germany.

(4) If industrial property rights of third parties are violated by the delivery or service provided by the supplier, the latter shall be obliged first of all to ensure by way of acquiring the rights or through modification of the item to be supplied – insofar as this is reasonable for us – that infringements of rights are not continued.

(5) Notwithstanding Article 4 above, the supplier shall be obliged to indemnify us against any claims by third parties relating to the infringement of patents or other industrial property rights as well as with regard to expenses relating to such action being taken and bear all costs incurred by us as a result of such action. This obligation shall not apply insofar as we, without the approval of the supplier, make agreements with the third party which relate to its claims and, in particular reach a settlement. The supplier shall provide us, without delay and free of charge, with all information and documents required to defend such actions.

(6) Paragraphs 2 - 5 above shall also apply accordingly to those countries in relation to which the supplier is aware on conclusion of the contractual agreement that we send the items delivered to those countries.

#### **§ 8 Invoices and payments**

(1) Invoicing shall be carried out at the time of delivery of the product at the earliest, including all documentation relevant to the

contractual agreement or – if a final inspection is to take place – at the time of final acceptance of the service or otherwise at the time of the service being provided. Invoices shall be sent by post or alternatively, at our request, in electronic form; they are not to be enclosed with the goods.

(2) The wording and the sequence in the invoices shall correspond to the items of the order, also showing the respective order number and the supplier number. Any additional deliveries or services are to be listed separately in the invoice, with reference to the corresponding written order preceding these.

(3) Unless agreed otherwise, payments shall be made, at our option, within 60 days net without any deduction or within 14 days with 3% discount insofar as we do not have any complaints regarding the delivery or service. Decisive for the payment period shall be the receipt of the due and proper invoice as well as all the required documents (e.g. material test certificates) by us. Carrying out the payment transaction shall be decisive for the punctuality of such payment. Delays in payment on account of invoicing by the supplier which does not meet the stipulations under this Article 8 shall be the responsibility of the supplier.

(4) Even if we were aware at the time of making the payment that the goods delivered or the work performance provided was defective, the settlement of the invoice shall not be deemed to constitute any waiver of our entitlements or claims relating to the defectiveness of the goods or work performance.

(5) We shall also be entitled to offset claims by the supplier against claims by companies affiliated to us. The supplier shall only be able to offset its own claims where its counterclaims are enforceable by way of declaratory judgement, are undisputed or have been recognised by us. The supplier shall only be entitled to exercise a retention right if its counterclaim is based on the same contractual relationship and has become due.

(6) The supplier shall not be entitled without our prior written approval, which we will not refuse unreasonably, to assign its claims against us to third parties or have these collected by third parties. If the supplier is, for its part, supplied under extended reservation of title, such approval shall be deemed to have been given. Should the supplier assign its claims to a third party without our approval contrary to the first clause above, such assignment shall nonetheless be valid. We shall, however, have the option of making payment to the supplier or the third party with the effect of discharging the obligation.

(7) In the case of advance payments, we shall be entitled to demand appropriate security.

#### **§ 9 Goods provided; tools and other production equipment provided**

(1) The supplier shall examine goods provided by us immediately after being handed over by ourselves or our primary suppliers and, should there be evidence of any defect, notify us accordingly without delay. Should such a defect become evident subsequently, notification must be given immediately after being detected. Should the supplier not meet these obligations, the supplier shall be obliged to compensate us

for all loss or damage resulting from this (e.g. for the loss of warranty entitlements against our primary suppliers). In addition, the supplier shall, in the case of infringing the aforementioned obligations of examination and notification of defects, be responsible for faults and errors concerning the product it has delivered to us, also where such faults or errors can be attributed to the goods provided by us.

(2) We remain the sole owner of the Goods provided by us. The supplier shall mark and identify the goods provided by us as our property and keep them separately from other products so that the goods provided by us are protected against the unauthorized access of third parties and can be indisputably identified as such for the entire duration of the storage and – where technically possible and reasonable for the supplier – also during their processing. The supplier shall be liable to us for the loss or damage of items provided. The supplier shall insure the goods provided by us for at least their current market value against fire, water, theft and comparable cases of damage at its own expense. We are to be notified of any legal or actual harm to or impairment of the items provided by us without delay.

(3) The materials provided by us may only be used for the manufacturing of the products to be supplied to us, respectively for the performance of services to be rendered to us. In particular they shall not be sold, pledged or assigned to third parties. In case of seizures or other interventions by third parties the supplier shall inform us without undue delay in writing and give all necessary information as well as notify the third party of our ownership.

(4) The goods provided by us shall be treated and processed on our behalf and shall remain our property while being worked and processed. It is commonly understood that we shall be co-owners of the products manufactured with the use of the materials or parts provided by us in the ratio of value of the items provided by us to the value of the final product as a whole, even if – when our goods are inseparably combined with items of the supplier – the supplier's items form the main part of the final product. The same shall apply if we lose title to the goods supplied by us by way of mingling and mixing.

(5) The supplier undertakes to keep precise records of its stock of goods provided by us and to notify us thereof at any time in writing upon our request. The supplier shall inform us in writing in due time if the stock of goods provided by us need to be filled up.

(6) We are entitled to inspect the goods provided by us at any time in coordination with the supplier. In the event that the supplier no longer requires a remaining stock of such goods, the supplier undertakes to return these goods to us.

(7) Tools and other manufacturing equipment provided to the supplier for the purpose of producing the goods to be supplied to us shall remain our property. Should the supplier manufacture or acquire tools or other production equipment at our partial or entire expense which are specifically needed for the production of the parts to be supplied to us, such tools and equipment shall pass to our possession and ownership on payment by us. It shall be agreed in this respect that the supplier shall be in possession of the tools and production equipment in the sense of borrowing the same from us. The supplier shall not be entitled to any retention right in this respect. The tools and other production equipment owned by us are to be clearly marked and identified as our property in an appropriate manner. The supplier shall insure such tools and production equipment for their new value against fire, water, theft and comparable cases of damage at its own expense. The supplier shall at this moment in time assign to us all compensation rights arising from such insurance; we herewith accept this assignment. We are to be notified of any legal or actual harm to or impairment of the tools or other manufacturing equipment provided by us without delay.

(8) The supplier shall be obliged to use the tools and other manufacturing equipment referred to under § 9, Par. 7 above exclusively for the production of the goods ordered by us. They may only be scrapped or made available to third parties with our prior approval in writing.



(9) The supplier shall be obliged to handle and store the tools and other manufacturing equipment referred to under § 9, Par. 7 above with due care. The care and maintenance of such tools and other manufacturing equipment shall be in line with the respective agreements made between us.

(10) Should we incur any loss or damage through the supplier infringing the aforementioned obligations under this § 9, Par. 2 - 9, the supplier shall be obliged to compensate us for such loss or damage unless the supplier is not responsible for the same.

#### § 10 Purchased Parts

(1) If we sell parts/materials to the supplier for the production/manufacturing of parts for us ("Purchased Parts"), Sec. 377 of the German Commercial Code shall apply to such deliveries. Apart from that, § 9, Par. 1 applies *mutatis mutandis*.

(2) We reserve title to the purchased parts until any and all claims against the supplier arising from the business relationship have been settled, including future claims arising from agreements concluded concurrently or at a later time. This shall also apply if individual or all of our claims are included in a current account and the balance has been stricken and accepted. When so requested by the supplier, we shall release collateral if the realisable value of such, taking into account usual bank reductions of valuation, exceeds the claims for which collateral have to be furnished by more than 20%.

(3) The supplier shall mark all purchased parts as such and store these parts separately from other products so that the purchased parts can be identified as such beyond any doubt for the entire duration of their storage and, where technically feasible and reasonable for the supplier, also during their processing. The supplier shall insure the purchased parts against fire, water, theft and similar causes of loss at its own expense at minimum at their market value. The supplier shall inform us without undue delay should any purchased parts be impaired in law or fact.

(4) The purchased parts shall only be used for the manufacturing of the products to be supplied to us, respectively for the performance of services to be rendered to us. In particular they shall not be pledged or assigned to third parties. In case of seizures or other interventions by third parties the supplier shall inform us without undue delay in writing and give all necessary information as well as notify the third party of the existing ownership situation.

(5) All processing of purchased parts shall be performed for us. All bought-in parts remain our property while being worked and processed. The supplier's expectant right to the purchased parts shall continue to apply to the processed or converted items. Apart from that, § 9 Par. 4 applies *mutatis mutandis*.

(6) The supplier undertakes to keep precise records of its stock of purchased parts and to notify us thereof at any time in writing upon our request. Apart from that, § 9, Par. 5

applies *mutatis mutandis*.

(7) We are entitled to inspect the purchased parts at any time in coordination with the supplier. In the event that the supplier no longer requires a remaining stock of purchased parts, we are entitled, but not obliged, to claim back such stock in return ("Zugum-Zug") of the repayment of the purchase price paid by the supplier for such parts.

(8) If we incur any damage due to the supplier not complying with any of the above obligations of this § 10, the supplier shall compensate us for such damage unless it is not responsible therefore.

#### § 11 Drawings/documents, industrial property rights

(1) All documents, drawings, samples, etc. provided to the supplier by us for the submission of a quotation or for the production of the item to be delivered or the provision of the service shall remain our property; we reserve all rights concerning our copyright as well as all other existing industrial property rights in this regard. The supplier shall not be entitled to use information, ideas or other know-how contained therein for any purpose other than the drawing up of the quotation or fulfilling the contractual agreement for us. The latter shall not apply in the case of the information, ideas or other know-how already being known to the supplier before being received from us or where the supplier has obtained the same lawfully through other means at a later point in time. The documents, drawings, samples etc. shall be handed over to us without delay together with all copies and duplications on request or without being requested if an order does not materialise or after completion of an order. The supplier shall have no entitlement to a retention right in this regard. Clauses 1 and 2 above shall apply accordingly to the drawings and other documents produced by the supplier according to our specific data.

(2) The supplier shall treat the documents referred to in paragraph 1 above as well as all other information received in relation to the order or the execution of the contract – also following completion of the order – as a business secret and, accordingly, as confidential. Such information may not be made known to any third party without our prior written approval. We shall treat documents and information received by us in relation to the order or the execution of the contract by the supplier as a business secret insofar as the need for confidentiality is expressly pointed out to us. The obligation to maintain confidentiality shall cease to apply where the contents of the documents concern facts that are publicly known or subsequently reach the public domain without this being caused by an infringement of duty on the part of the party under the obligation to maintain confidentiality.

(3) The supplier shall submit all necessary drawings and documents required for discussion of the technical details, the item to be supplied or the service to be provided together with the quotation. Such discussion or other involvement by us in the design work shall not, however, relieve the supplier of its sole responsibility for the product or service or any warranty and other obligations arising from this.

(4) The supplier shall be obliged to provide – together with delivery at the latest - all drawings and documents needed by us or our customer to set up, operate, maintain and repair the item to be supplied free of charge in both English and German, in good time and without having to be asked.

(5) Should we incur any loss or damage through the supplier infringing the aforementioned obligations under § 11 here, the supplier shall be obliged to compensate us for such loss or damage unless the supplier is not responsible for said infringement of duty.

#### § 12 Supply security

(1) Insofar as the items to be supplied concern goods specifically developed for us, particularly where we have shared directly or indirectly in the costs of development and/or manufacturing equipment, the supplier undertakes to supply us with the items to be delivered according to our needs and accept orders from us as long as we require the items to be supplied. The anticipated delivery volume according to our customer requirement forecasts shall be made known to the supplier at an early stage.

The supplier shall not, however, have any entitlement to insist on our purchasing particular quantities, unless expressly agreed otherwise.

(2) The supplier undertakes to guarantee the delivery of the necessary spare parts for a period of 15 years after delivery of the item to be supplied – also after completion of series production of the item to be supplied. Should it become evident to the supplier within the period referred to above that it will no longer be able to guarantee such supply, it shall notify us of the end of the supply possibility without delay and, insofar as the supplier cannot offer us any other possibilities that are reasonable for us, give us the opportunity to procure our long-term needs 12 months prior to discontinuation of production.

### § 13 Quality assurance and control

(1) The supplier shall have a certified quality assurance management system of an appropriate type and scope corresponding to the state of the art in technology at its disposal and submit proof of this on request. The supplier shall regularly keep records of the quality audits conducted by it and make such records available to us at short notice when requested. The supplier shall conclude a corresponding quality assurance agreement with us insofar as we deem this to be necessary.

(2) If the conducting of a special quality control is planned in the context of final acceptance, we shall, unless agreed otherwise, bear the personnel-related costs and the supplier the material/equipment costs.

(3) If a second visit by the quality official is required as a result of defects being established, the associated personnel costs shall then also be borne by the supplier in this regard. The same shall apply if the item to be supplied is not presented to the quality official in accordance with the appointment referred to under paragraph 2 above.

(4) Following prior consultation with the supplier, we shall - unless agreed otherwise - be entitled to conduct quality audits on the supplier's business premises at our own expense.

(5) The Supplier shall register the chemical substances contained in the Products in accordance with the laws applicable to the respective market concerned (e.g. in accordance with Regulation (EC) No. 1907/2006 (REACH), EU) and, if necessary, authorize or register them. The chemical substances contained in the products shall be made available in a form and application specified by TE, regularly without being requested. If a chemical substance is imported into the area of application of a relevant law, the supplier shall assume responsibility for all the above-mentioned obligations and related costs. The supplier is obliged to ensure that these regulations are complied with by means of suitable contractual arrangements with his sub-suppliers.

### § 14 Social Responsibility and Environmental Protection

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.

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, 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.

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. 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.

4. Upon prior notice, TE or a third party commissioned by TE may carry out on-site and quality audits at the Supplier, which shall be at TE's own costs, unless otherwise agreed. For these purposes, the Supplier shall allow access to all relevant documents, manufacturing facilities and processes. TE and any third parties commissioned by TE will treat the information obtained in the course of such audits as confidential.

5. The Supplier shall, at TE's request, facilitate the participation of its employees in trainings on human rights and environmental matters, which are offered by the Supplier, TE or a third party on behalf of TE.

6. In case of a potential breach of the above-mentioned regulations, the Supplier shall investigate such potential breaches without undue delay and inform TE about any action taken by the Supplier. If justified, the Supplier shall also disclose its relevant supply chain to TE. In case of an actual breach, the Supplier shall, and if so requested, jointly with TE, develop and implement measures to end or minimize the respective breach.

7. In case of a breach of any obligation set out in this §14, the Supplier shall indemnify and hold TE harmless from and against claims of third parties, including the obligation to pay related fines that are imposed on TE.

8. TE reserves 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.

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 Proof of origin and VAT certificates, export restrictions**

(1) The supplier shall provide us with all necessary proof of origin together with all the details required, signed and at its own expense, together with the delivery at the latest. This shall apply correspondingly to VAT certificates required in individual cases for deliveries abroad and within the Community. The supplier must issue a supplier declaration (individual or long-term declaration) on the basis of the applicable regulations for products having preferential origin status. Furthermore, the supplier must specify the non-preferential (in terms of commercial law) origin. Suppliers registered to the TE Supplier Portal will receive electronic solicitation requests to provide the country of origin and preferential status of their supplied parts. Such solicitations must be completed in adherence to the relevant rules of origin for the free trade agreement and returned to TE within 30 days of receipt of the request. If the supplier creates the supplier declaration using its own business documents, the supplier is obliged to ensure that the wording of the specified supplier declaration exactly matches the legal requirements. In the supplier declaration, the supplied products must be precisely described so as to ensure that the identity of the goods is clearly recognizable. The TE material number and the material designation must be specified as a minimum in this regard. The supplier must inform TE immediately in writing if the information indicated in a long-term supplier declaration is no longer applicable at any point in the future. The supplier must also inform TE immediately in writing if it finds that past declarations concerning preferential and non-preferential origin status were issued incorrectly.

(2) The supplier shall inform us without delay if a delivery is, in part or in its totality, subject to export restrictions under German or other applicable law. If the issuing of an export licence is required for delivery to us, the supplier shall be responsible for obtaining such licence.

### **§ 16 General provisions**

(1) Insofar as these General Terms and Conditions of Purchase stipulate that declarations of intent or notifications have to be drawn up in writing, the written form shall also be deemed to be observed through use of the text form, i.e. via fax or email.

(2) If the supplier is not in a position to meet its due obligations punctually, stops its payments or has (preliminary) insolvency proceedings initiated against it, we shall be entitled to withdraw from the contractual agreement in relation to the part of the contract not yet fulfilled by the supplier. This right of withdrawal is to be exercised by us within a period of one month of obtaining knowledge of the aforementioned circumstances.

(3) These terms of business and the entire business relations between ourselves and the supplier shall be subject to the laws of the Federal Republic of Germany, with the exclusion of the Vienna Convention of the International Sales of Goods (CISG).

(4) Insofar as the supplier is a business person within the meaning of the German

Commercial Code, our registered office shall be the exclusive area of jurisdiction for all disputes arising directly or indirectly from this contractual relationship. We shall, however, be entitled to take action against the supplier in a different jurisdiction.

(5) The place of performance for all contractual obligations shall be our registered office or the shipping address or place of use stated by us.

(6) Should any provision contained in these terms of business or any provision under other agreements prove to be ineffective or unenforceable, this shall not affect the remaining provisions or agreements. The ineffective or unenforceable provision shall be replaced by a provision coming closest to the intention of the parties to the contractual agreement in economic terms. This shall apply accordingly to any loophole in the contractual agreement.