

**1. General**

- 1.1 The following Terms and Conditions of Purchase apply to all orders by STI Gustav Stabernack GmbH and its German subsidiaries (hereinafter "STI"), for whom the Supplier provides deliveries or services.
- 1.2 These Terms and Conditions of Purchase apply exclusively to all orders placed by STI. Contradictory, deviating or supplementary terms and conditions of sale or delivery of the Supplier shall not apply in their entirety, unless STI has expressly agreed to their validity in writing. This also applies to clauses in the Supplier's terms and conditions of sale or delivery that do not conflict with STI's terms and conditions of purchase. STI's Terms and Conditions of Purchase shall also apply exclusively if STI unconditionally accepts the Supplier's deliveries and/or services in knowledge of deviating clauses of the Supplier. Individual agreements concluded with the Supplier in individual cases (including ancillary agreements, additions and amendments) shall always take precedence over these Terms and Conditions of Purchase. The content of such agreements shall be governed by a written contract or a written confirmation from STI, unless otherwise proven.
- 1.3 STI's Terms and Conditions of Purchase also apply to all future business with the Supplier.
- 1.4 Any rights to which STI is entitled in accordance with the statutory provisions beyond these Terms and Conditions of Purchase remain unaffected.

**2. Orders**

- 2.1 The Supplier shall draw up its quotation free of charge and binding for STI unless something different has been agreed in advance. This also applies to plans, drawings or on-site visits.
- 2.2 Orders are only binding if they have been placed or confirmed in writing by STI. Oral subsidiary agreements are invalid and do not put STI under any obligation.
- 2.3 The Supplier shall confirm the order by signing the copy of the order. If STI does not respond to a quotation from the Supplier, this shall not be deemed to be acceptance or acceptance of the quotation. If the Supplier does not object to the order within two (2) working days of receipt, the order is considered to be accepted. STI reserves the right to change the order up to its acceptance by the Supplier.
- 2.4 STI may also demand changes to the delivery item or service after conclusion of the contract and cancel the contract, individual orders or call-off quotas in whole or in part free of charge, provided that this is reasonable for the Supplier. In the event of such changes, both contracting parties must take due account of the effects, in particular with regard to any additional or reduced costs as well as the delivery or performance dates. Flat-rate payments for additional expenses claimed by the Supplier due to the change of the delivery item or the service or cancellation are not recognised and are not owed.
- 2.5 The Supplier assumes the procurement risk for deliveries and services owed by it for its entire upstream supply chain, in particular with regard to self-delivery by its upstream suppliers.

**3. Delivery and Delivery Time**

- 3.1 Delivery is to be carried out DDP in accordance with Incoterms 2020, unless a different arrangement has been agreed in the purchase order. A delivery note is to be attached to each consignment containing the delivery quantity, the delivery item as well as date and number of the relevant STI purchase order.
- 3.2 The Supplier shall guarantee that it complies with all relevant dispatch and declaration requirements as well as any export and import procedures.
- 3.3 The Supplier shall ensure standard commercial, correct, clean and environmentally-friendly packaging and guarantee that the goods are protected by the packaging from transport damage, corrosion and penetration of contamination and/or moisture. STI's delivery conditions apply.
- 3.4 In the case of delivery on Euro Pool pallets under the EPAL standard, they must at least meet Class B of the Gpal classification (Gütegemeinschaft Paletten e.V.). If, during the processing of the delivered goods, STI should discover damaged pallets, STI will charge them to the Supplier accordingly. Deliveries on non-returnable or special pallets require the prior written consent of STI insofar as their use is not required for technical reasons.
- 3.5 The Supplier is obliged to collect and take back all packaging materials and pallets from STI at its own expense and risk unless a different arrangement has been agreed.
- 3.6 The Supplier shall render its delivery or service in full. Partial deliveries are only admissible if they have prior written approval by STI.
- 3.7 Agreed dates for the deliveries or services are binding and are always calculated from the order date. If delays are to be expected the Supplier must inform STI immediately in writing.
- 3.8 In the event of delivery ahead of schedule STI reserves the right to refuse to accept the delivery and then to return the delivery at the expense and risk of the Supplier. The obligation to deliver on the agreed delivery date remains. If in the event of delivery ahead of schedule no return takes place, the goods will be stored on STI premises until the agreed delivery date at the expense and risk of the Supplier.
- 3.9 The delivery time specified by STI in the order is binding. If the delivery time is not specified in the order or otherwise agreed, it shall be two (2) weeks from the conclusion of the contract. The Supplier is obliged to inform STI immediately in writing if it is likely that for whatever reason, it will not be able to comply with the agreed delivery times. Default

- occurs without a reminder. The decisive factor for compliance with the delivery time is the receipt of the goods at STI, unless a different delivery address is specified. If DDP delivery is not agreed, the Supplier must provide the goods to STI on time, taking into account the usual time for loading.
- 3.10 If the agreed delivery time is not observed due to a circumstance for which the Supplier is responsible, STI is entitled, without prejudice to further legal provisions at its discretion, to withdraw from the contract after expiry of a reasonable grace period, to obtain a replacement from a third party and/or to demand compensation for non-performance. STI is entitled to compensation for all additional costs incurred by STI due to delayed deliveries or services for which the Supplier is responsible. Acceptance of the delayed delivery or service does not imply a waiver of claims for compensation.
- 3.11 In the event of non-compliance with the agreed delivery time, STI is also entitled to payment of lump sum damages of 0.25% of the order value of the goods in default per working day, but no more than 5% of the order value of the goods in default. STI is entitled to assert a contractual penalty in addition to performance. If STI does not reserve the right to the penalty at the time of acceptance, the penalty can still be asserted by STI until payment to STI. The assertion of damages exceeding the contractual penalty is not excluded. STI reserves the right to prove that greater damage has occurred. The Supplier reserves the right to prove that no damage at all or only considerably less damage has occurred.
- 3.12 If the Supplier anticipates difficulties in production or supply of input materials and circumstances beyond its control occur that are likely to prevent it from delivering on time in the agreed quality, the Supplier must immediately notify the ordering department at STI.
- 3.13 Unless otherwise verified, the quantities, weight and dimensions determined by STI during the incoming goods inspection are decisive.
- 3.14 Excess or short deliveries as well as partial or advance deliveries require the written consent of STI.
- 3.15 Delivery shall be free of freight and postage. Packaging costs shall be borne by the Supplier. It is the Supplier's responsibility to insure the goods at its expense against transport risks.
- 3.16 The Supplier shall ensure that, insofar as it is the first distributor of sales packaging or it is considered as such, it is connected to a return system to ensure compliance with the legal obligations, in particular in accordance with Section 7 of the Packaging Act.

**4. Transfer of risk**

- 4.1 The Supplier bears the risk of damage and loss of the delivery until acceptance of the goods by STI or its agent at the location to which the goods are to be delivered in accordance with the order.
- 4.2 Should a delivery or installation at STI's premises or at third parties lead to an acceptance by the Supplier and/or an acceptance is contractually or legally required, the risk shall only pass to STI upon acceptance.

**5. Rights in the event of defects, liability and supplier recourse**

- 5.1 The Supplier shall be liable for a defect-free delivery/service and guarantees that the goods or performance is free of material and legal defects, corresponds to state-of-the-art technology, the relevant national and European legal regulations, the regulations and guidelines of authorities, professional associations and trade associations as well as the specification handed over by STI, the other subjective and objective requirements (Section 434 German Civil Code) and the information in the purchase order, the declaration of conformity, the applicable safety-related requirements, occupational safety, accident prevention regulations and other legal provisions.
- 5.2 The Supplier also guarantees that the delivery or service is suitable for the agreed or intended use resulting from the nature of the goods or service and that it does not contain any prohibited or unevaluated substances. The Supplier also guarantees that the goods can be stored until the end of the warranty period (cf. Section 5.5) without significant impairment of their quality. The provisions of the Supply Chain Due Diligence Act must also be observed if the Supplier is not directly subject to the scope of application of the Supply Chain Due Diligence Act.
- 5.3 If the delivery or service is flawed, STI may at its choice demand supplementary performance (replacement or rectification) free of charge, price reduction or cancellation of the contract and together with that claim damages. After the second unsuccessful attempt at supplementary performance, STI is furthermore entitled to have the defect rectified itself or by third parties; the corresponding additional costs shall be borne by the Supplier. Further claims for damages remain unaffected. If there is a defect, the Supplier shall also bear the costs of the inspection and the determination of the defect, without prejudice to other and further claims of STI.
- 5.4 STI is entitled to rectify any defects at the Supplier's expense without prior notification if the immediate rectification of defects is justified by a special interest of STI, the rectification of defects by the Supplier would incur higher costs than the rectification of defects by STI or the rectification of defects by the Supplier would result in such delays that make it difficult for STI to fulfil its obligation towards its Customer/Recipient. STI may return goods that have not been delivered in accordance with the contract at the expense and risk of the Supplier.
- 5.5 Warranty and liability claims due to material defects and defects of title expire after 36 months, provided that no longer statutory limitation period applies and the expiry of the limitation period is not prevented. The limitation period begins with the delivery of the goods at the place of performance or acceptance of the service. If acceptance is delayed

- through no fault of the Supplier, the warranty period shall be 36 months after the goods/services have been made available for acceptance. Other liability claims shall become statute-barred within the regular statutory limitation period.
- 5.6 If the goods are procured for resale or for use in the manufacture of products, the periods specified in Section 5.5 p. 2 and 3 shall commence on the date on which the warranty period for the product equipped with the delivered goods begins, but no later than six (6) months after delivery of the goods to STI.
- 5.7 If the Supplier delivers a replacement as part of the supplementary performance, the limitation period for the goods delivered as a replacement begins again with their delivery to the place of performance. In the case of a rectified part, the limitation period begins again as a whole upon termination/acceptance of the rectification.
- 5.8 STI is entitled to compensation for all damages caused to STI by the Supplier in connection with the delivery. This applies in particular to useless materials and wages spent as a result of hidden errors, as well as increased costs for adhering to own delivery dates. This obligation to pay compensation shall not apply if the Supplier proves that it is not at fault, unless it is also liable without fault on the basis of statutory provisions.
- 5.9 If a defect from the Supplier's scope of performance triggers STI's producer liability, the Supplier shall indemnify STI from producer liability. It shall bear all costs arising from the manufacturer's liability, including any recall costs.
- 5.10 STI is entitled to the statutory recourse claims within a supply chain (supplier recourse in accordance with Sections 445a, 445b, 478 German Civil Code) without restriction in addition to the claims for defects and also if STI or a third party has further processed the defective goods. In particular, STI is entitled to demand exactly the type of subsequent performance (rework or replacement delivery) from the Supplier that STI owe its Customer/Recipient in the individual case. The statutory right to vote of STI (Section 439 para. 1 German Civil Code) is not restricted by this.
- 5.11 Before STI makes a claim for defects asserted by its Customer/Recipient (including reimbursement of expenses in accordance with Sections 445a para. 1, 439 para. 2 and 3 of the German Civil Code), STI shall notify the Supplier and request a written statement with a brief description of the facts. If a substantiated statement is not made within a reasonable period of time and an amicable solution is not reached, the defect claim granted by STI to the Customer/Recipient shall be deemed to be owed to the Customer/Recipient. In this case, the Supplier is responsible for providing proof of the contrary.

## 6. Obligations to notify of defects

- 6.1 STI's obligation to investigate is limited to defects that become apparent during an incoming goods inspection under external inspection, including the delivery documents (e.g. transport damage, incorrect deliveries, shortages and excess deliveries) or during STI's quality control by means of random sampling. Insofar as direct acceptance is agreed, there is no obligation to inspect. In all other respects, it depends on the extent to which an investigation is feasible, taking into account the circumstances of the individual case, in accordance with the proper course of business. STI's obligation to report defects discovered later remains unaffected.
- 6.2 Without prejudice to STI's obligation to investigate, a complaint (notification of defects) shall always be deemed to be immediate within the meaning of Section 377 of the German Commercial Code (HGB), which is received by the Supplier within a period of two (2) weeks, calculated from receipt of goods in the case of open defects and from discovery in the case of hidden defects. The deadline shall also be met by oral and telecommunications.

## 7. Industrial property rights

- 7.1 The Supplier guarantees that its services/deliveries are free of third-party property rights and intellectual property rights and that the delivery and use of the delivered goods or services do not infringe on any patents, licences, utility models, designs, trademarks, copyrights or other property rights of third parties.
- 7.2 The Supplier shall indemnify STI from all third-party claims arising from any infringements of the third-party rights specified in Section 7.1 upon first request and shall also bear all costs incurred by STI in this connection. This also applies to lawyers, experts, evidence and court costs.
- 7.3 STI is entitled, at the expense of the Supplier, to obtain consent from the authorised third party, which is required for the use of the goods or services.
- 7.4 Additional existing legal claims, e.g. from liability for defects, remain unaffected.

## 8. Secrecy and Data Protection

- 8.1 The Supplier is obliged to keep all confidential information and documents from the pre-contractual correspondence and from the cooperation strictly confidential and to use them exclusively for the fulfilment of the contractual relationship, unless they are generally known or lawfully obtained from third parties. Confidential information includes, in particular, enquiries and offers, technical data, purchase quantities, prices, information about products and product developments, research and development projects, all company data,

plans, drawings, samples or similar that are provided to the Supplier by STI for the provision of the service or procurement of the delivery item. At STI's request, all documents, including all copies and duplicates, must be handed over immediately or electronic data must be permanently deleted, as far as possible.

- 8.2 Employees entrusted by the Supplier with the preparation of the quotation and/or the execution of the order/assignment by STI must be bound by a confidentiality obligation corresponding to Section 8.1.
- 8.3 If the Supplier recognises that information to be kept secret has gained unauthorised possession of a third party or that a document to be kept secret has been lost, it must inform STI of this immediately.
- 8.4 If the Supplier breaches any of the obligations set out in Sections 8.1 to 8.3, it shall be liable for all costs and damages incurred by STI as a result of this breach.
- 8.5 The obligations from Sections 8.1 to 8.3 shall continue to apply for a period of five (5) years after the termination of the contractual relationship. The obligation under Section 8.4 shall continue to apply after the period specified in p. 1 from the time of the infringement until the occurrence of the regular limitation period.
- 8.6 With regard to the personal data of the Supplier or service provider, STI shall comply with the relevant legal provisions of the General Data Protection Regulation (GDPR).

STI is entitled to collect, store, process and use the data received in connection with the business relationship about the Supplier or service provider within the meaning of the GDPR and the Federal Data Protection Act for the establishment, implementation or termination of the business relationship, Art. 6 para. 1 p. 1 lit. b GDPR.

Personal data of the Supplier or service provider that is not collected by the ordering party but by third parties is processed in accordance with Section 33 BDSG or Article 14 GDPR. Further collection, storage, processing and use will only take place insofar as a legal provision requires or permits this or the Supplier or service provider has consented to this.

The Supplier or service provider agrees that STI may transfer personal data to third parties and use it within the STI Group in connection with the fulfilment of the contract, the enforcement of claims and for the needs-based design and development of its business activities. The Supplier or service provider also consents to the transfer of data abroad if STI deems this necessary and this takes place in compliance with a data protection level corresponding to German regulations. The Supplier or service provider may withdraw consent at any time.

Upon request, STI shall provide the Supplier or service provider with information about the stored data free of charge in accordance with the legal requirements. The Supplier or service provider has the right to request the correction, deletion, restriction of processing or transfer of its data to third parties. It also has the right to lodge a complaint with a supervisory authority in accordance with Article 77 GDPR. As a rule, it can contact the supervisory authority of its or STI's registered office for this purpose. Further information on data protection can be found in the data protection declaration for business and cooperation partners at the following link:

[https://www.sti-group.com/fileadmin/user\\_upload/sti-group.com/Documents\\_Dokumente/W10\\_Information\\_obligations\\_towards\\_business\\_partners\\_2.00.pdf](https://www.sti-group.com/fileadmin/user_upload/sti-group.com/Documents_Dokumente/W10_Information_obligations_towards_business_partners_2.00.pdf)

## 9. Invoices and Payment

- 9.1 Invoices are to be given to STI with details of date, purchase order number and necessary information in accordance with section 14 of the most recent UStG (German VAT Act). These must not be enclosed with the deliveries. STI cannot be held liable for payment delays that result from non-compliance with this provision, nor does it fall into arrears of payment as a result.
- 9.2 Where nothing different has been agreed payments are made within 60 days net. For payment that are made no later than 30 days after delivery and receipt of invoice, STI is entitled to a deduction of 3% discount.
- 9.3 The payment period starts upon receipt of the invoice but not before the receipt of the goods ordered or the complete performance of the service.
- 9.4 The payments made by STI do not imply recognition of the delivery or service with respect to quality, absence of defects, quantity and accordance with the contract. Rather, this requires an acceptance and also a verifiable final invoice.
- 9.5 In the event of a defective delivery or service, STI is entitled to withhold its payment in full, unless otherwise specified in good faith. Furthermore, in the event of incorrect or incomplete delivery, STI is entitled to retain payment proportionately to the value until the delivery or service is corrected without the loss of any rebates, discounts or similar payment concessions. Where payments for incorrect deliveries or services have already been made, STI is entitled to retain any other due payments up to the amount of the payments made.
- 9.6 STI is entitled to set-off and retention rights as well as the defence of the non-fulfilled contract to the extent permitted by law. Over and above that, STI is entitled to offset all its own claims as well as the claims of its subsidiaries and associated companies against claims by the Supplier and against claims of companies associated with the Supplier and to hold back due payments, as long as STI, its subsidiaries and associated

companies have claims against the Supplier for incomplete or defective services.

- 9.7 The Supplier shall have a right of set-off or retention only on the basis of legally established or undisputed counterclaims. The Supplier is only entitled to rights of retention to the extent that they are based on the same purchase order.

## 10. Assignment and Transfer

- 10.1 Assigning claims by the Supplier from this business relationship requires in all cases the prior written consent of STI.
- 10.2 Without prior consent, the Supplier is also prohibited from transferring other contractual obligations and rights.

## 11. Force Majeure

Force majeure, i.e. unavoidable external events, such as war, civil war, terrorist attacks, strikes, industrial action, riots, pandemics, natural disasters, severe storms, etc. release the respective party from its obligation and STI from the obligation to accept or accept the ordered delivery/service for the duration of the disruption and to the extent of its effect. In this case, the respective party concerned shall immediately provide the other party with the necessary information within the scope of what is reasonable. The delivery/service must take place immediately after notification of the cessation of the event. If the delivery/service is no longer usable due to the delay caused by force majeure, taking into account economic aspects, both parties are entitled to withdraw from the contract. Disruptions in the global supply chains that complicate procurement, in particular delivery delays and failures at the Supplier's upstream suppliers as a result of energy and/or raw material supply problems or due to economically difficult conditions, are not force majeure without the addition of further circumstances, even if these were not foreseeable for the Supplier in individual cases.

## 12. Safety Regulations

- 12.1 All deliveries and services must meet the statutory requirements as amended, in particular the safety and environmental regulations including the Ordinance on Hazardous Substances, the law on the return and environmentally friendly disposal of electrical and electronic devices (German Electrical and Electronic Equipment Act) as a national implementation of the directive 2011/65/EU (RoHS) and the safety recommendations of the responsible authorities, trade associations, expert committees or professional bodies, e.g. VDE, VDI, VOB, DIN as well as the fire prevention regulations and the rules for CE marking. Relevant certification, test certificates and supporting documents are to be attached free of charge.
- 12.2 The Supplier is obliged to ascertain and comply with the current status of the applicable directives and laws for its components with respect to restrictions of substances. It is obliged not to use banned substances. Restricted and hazardous substances under the applicable legislation are to be detailed on the specifications by the Supplier. If applicable, the safety data sheets are to be submitted with the quotation and at the latest on the respective initial delivery with the delivery note (at least in German or English). Indications about exceeding substance restrictions and supply of banned substances are to be notified to STI at once.
- 12.3 The Supplier shall also comply with the currently applicable legal regulations of the European Union and the Federal Republic of Germany, e.g. REACH Regulation (EC Regulation No. 1907/2006), hereinafter referred to as REACH Regulation. Over and above that, the Supplier shall assure that the substances contained in its goods, where required under the provisions of the REACH Regulation, are pre-registered or registered after the expiry of the transition periods if these substances are not exempt from registration.
- 12.4 The Supplier shall immediately inform STI of relevant changes to the goods, their delivery capability, use or quality caused by legal regulations, in particular the REACH Regulation, and shall coordinate suitable measures with STI in individual cases. The same shall apply as soon as and to the extent that the Supplier recognises that such changes will occur.
- 12.5 The Supplier guarantees to STI that the goods delivered to STI do not contain any of the substances listed on the candidate list within the meaning of the REACH Regulation (Regulation EC No. 1907/2006). In this respect, the Supplier is obliged to determine and comply with the current status of the directives and laws, in particular with regard to substance restrictions. The Supplier must assure STI of the accuracy of the information and documents provided, especially in the substance safety reports and the safety data sheets. All information and documents regarding this specification must be sent in all cases to the following email address: [reach@sti-group.com](mailto:reach@sti-group.com). The supply of goods that contain substances included in the Candidate List may only be carried out after prior written consent from STI.
- 12.6 Suppliers whose businesses have their registered offices in non-EU member states undertake to appoint an Only Representative ("OR") under Article 8 REACH Regulation with registered office in the EU of which STI is to be notified by name with address details. The OR must assume all necessary pre-/registrations and other duties of the Supplier that the latter must fulfil under the aforementioned rules and regulations. In the event of a change of OR or suspension of the activity of the OR, the Supplier must inform STI immediately.
- 12.7 STI is committed to an energy policy that meets the legal requirements and the voluntary commitments of the industry associations as well as the requirements of ecology and economy in equal measure. The international environmental management standard ISO 14001 defines

globally recognised requirements for an environmental management system. ISO 50001 supplements this area with the requirements of an energy management system. Both ISO 14001 and ISO 50001 emphasise a continuous improvement process as a means to achieve the respective defined objectives related to the environmental and energy performance of an organisation. The continuous improvement process is based on the Plan-Do-Check-Act (PDCA) method. STI's sites in the UK and Hungary are certified to ISO 14001. ISO 50001 was already introduced by STI in 2015 for the German sites in Alsfeld, Lauterbach and Neutraubling. In line with these ISO standards, STI asks its suppliers to support STI in the continuous improvement of their environmental and energy performance. In this respect, STI expects its suppliers to make unsolicited suggestions for improving energy performance. Should a supplier have more environmentally friendly products with the same or comparable properties in its range than those ordered by STI, the supplier is obliged to inform STI of this immediately in writing.

- 12.8 The Supplier agrees to an environmental/occupational safety audit after reasonable advance notice by STI or its Customers. Furthermore, the Supplier undertakes to independently and optionally expand offers to include energy-consumption-relevant products in the sense of more efficient ("more economical") alternative positions, if possible. Energy efficiency and sustainability are incorporated as a criterion in the evaluation of offers by STI. The relevant information and data of the alternative items shall be provided by the Supplier for this purpose.
- 12.9 The Supplier shall endeavour to establish a certified environmental and/or energy management system covering all areas of its operations.
- 12.10 Furthermore, the Supplier shall endeavour to establish a certified occupational health and safety management system covering all areas of its operations.

## 13. Human and environmental responsibility as well as compliance with the Code of Conduct (Compliance)

- 13.1 The Supplier undertakes to comply with the relevant regulations on environmental protection and occupational safety and to work to reduce adverse effects on people and the environment in its activities. In particular, the Supplier guarantees that it addresses human and environmental due diligence standards appropriately in itself and in its supply chain, whereby the standards of the Supply Chain Due Diligence Act ("LkSG") must always be observed, in particular even if neither STI nor the Supplier fall directly within the scope of the LkSG. The LkSG policy statement to be observed by the supplier can be viewed on the STI homepage or downloaded via the link: [STI Group: Download our general customer Terms and Conditions](#) or requested from your contact person. Furthermore, the Supplier shall comply with the principles of the UN Global Compact Initiative. These mainly concern the protection of international human rights, the right to collective bargaining, the abolition of forced and child labour, the elimination of discrimination in employment and recruitment, responsibility for the environment and the prevention of corruption. Further information on the UN Global Compact initiative is available at [www.unglobalcompact.org](http://www.unglobalcompact.org).
- 13.2 The Supplier must indemnify STI and hold it harmless from all claims based on a breach by the Supplier or the OR of the above procedural obligations, rules and regulations, in particular also based on the non-compliance with the duty to inform imposed on the Supplier or the OR (inter alia sending all information and documents to the email address [reach@sti-group.com](mailto:reach@sti-group.com)). In these cases the Supplier shall bear all costs and disbursements including the costs of legal proceedings and/or product recall. The Supplier shall not be liable if it can be proven that it is not responsible for the infringement.
- 13.3 As part of its activities for STI, the Supplier undertakes to comply with the principles of conduct set out in the STI Code of Conduct and Ethics for Business and Cooperation Partners ("**STI Group Corporate Compliance**"), which is available for download at [https://www.sti-group.com/fileadmin/user\\_upload/sti-group.com/Documents\\_Dokumente/W10\\_Information\\_obligations\\_towards\\_business\\_partners\\_2.00.pdf](https://www.sti-group.com/fileadmin/user_upload/sti-group.com/Documents_Dokumente/W10_Information_obligations_towards_business_partners_2.00.pdf). In addition, the Supplier shall ensure that for STI, it only cooperates with suppliers or other third parties who also comply with the aforementioned Code of Conduct.
- 13.4 In particular, the Supplier is also obliged to comply with all statutory provisions for the protection of the employee, in particular the Employee Posting Act (AEntG), the Act on the Regulation of Temporary Employment of Employees (AÜG) and the collective bargaining regulations concerning its operations. STI may accept liability under Section 13 of the German Minimum Wage Act (MiLoG) in conjunction with Section 14 Employee Posting Act (AEntG), if and to the extent that the Supplier or its subcontractors do not pay the minimum wage or do not pay it in full. The Supplier therefore guarantees that it and its subcontractors meet these requirements, are contractually obliged to do so and pay at least the minimum wage to its employees in accordance with Section 1 German Minimum Wage Act (MiLoG) in good time and in full. The Supplier shall compensate STI for the damage resulting from the use of STI by employees of the Supplier or its subcontractors/subcontractors due to a breach by the Supplier or one of its subcontractors of the AEntG, the AÜG, the MiLoG as well as other statutory provisions that may prescribe liability. Section 774 of the German Civil Code remains unaffected.

## 14. Materials provided

- 14.1 The materials provided by STI remain the property of STI and must be stored and managed free of charge in a clearly arranged way,

separately and clearly labelled as the property of STI. They are to be returned at any time on request. Their use is only allowed for STI orders. The supplier must insure these materials against damage or loss at new value as part of its insurances. The supplier shall be liable in the event of destruction, damage or total loss of the goods provided even if it is not responsible for this.

- 14.2 All provisions of material are to be inspected by the Supplier immediately after their arrival at the destination for visible defects and quantity and identity differences with the due care and diligence of a prudent businessman. In addition, immediately after their arrival at the destination retained samples are to be taken and inspected by the Supplier with the due care and diligence of a prudent businessman in order to determine the presence of any differences and STI is to be notified without delay but no later than within three (3) working days of arrival at the destination.
- 14.3 During production, the Supplier shall carry out further checks to the extent that they have been specially agreed with STI or required in line with its quality management system. If the Supplier identifies quality defects in the materials provided by STI, STI must be informed without delay to agree on further actions.
- 14.4 Materials provided by STI shall in all cases be processed exclusively for STI. Where the value of the material provided by STI exceeds the value of the processing and if applicable of the other components of the newly manufactured items, the newly manufactured items shall become the property of STI, otherwise co-ownership of STI in proportion to the value of the material provided to the value of the overall result arises.
- 14.5 Contractor's liens of the supplier under section 647 German Civil Code are excluded.

#### 15. Product Liability

- 15.1 In the event that claims are asserted against STI by a Customer or third party the Supplier shall indemnify STI and hold it harmless from such claims to the full extent without delay if and to the extent that the damage has been caused by a defect in the product supplied by the Supplier. In these cases the Supplier shall bear all costs and disbursements including the costs of legal proceedings and/or product recall.
- 15.2 The Supplier shall maintain product liability insurance with an appropriate amount of cover and provide STI with a copy of the policy on request.
- 15.3 Otherwise the statutory regulations apply.

#### 16. Suspension of Payments, insolvency

- 16.1 If the Supplier suspends payments, a provisional insolvency administrator is appointed, insolvency proceedings are opened on the Supplier's assets or there are bill of exchange or cheque protests against the Supplier, STI will be entitled to rescind the order or cancel the order fully or partially without notice with immediate effect without claims against STI from it being able to be derived against STI. If the order is cancelled by STI, the goods delivered or service carried out up to then may only be offset on the order conditions laid down to the extent that they can be used as intended by STI. The loss incurred by STI from this will be taken into account in the settlement.
- 16.2 In the event of other factually based evidence that make the continuation of a reliable business relationship seem seriously at risk, STI is entitled to rescind the order.
- 16.3 In the event of the Supplier's insolvency, STI is also entitled to retain an appropriate security, but at least 10% of the agreed price, until the expiry of the limitation period for warranty claims.
- 16.4 The Supplier assigns its warranty claims against its upstream suppliers to STI. STI is entitled to disclose this assignment in the event of the Supplier's insolvency.

#### 17. Place of performance, place of jurisdiction and applicable law

- 17.1 The place of performance for all deliveries and services is the delivery address specified by STI. If this is missing and does not arise from the circumstances, the place of performance is the place of acceptance of the goods by STI. The place of payment for all payment obligations is the registered office of STI and any place where STI maintains an account with a financial institution.
- 17.2 Exclusive place of jurisdiction is Frankfurt am Main. However, STI is entitled to file a complaint at the Supplier's registered office.
- 17.3 The law of the Federal Republic of Germany shall apply exclusively to the exclusion of private international law and the UN Convention on Contracts for the International Sale of Goods (CISG). This also applies in the case of cross-border deliveries/services to STI.

#### 18. Legal Invalidity / Amendments and/or New Version

Should individual provisions of these Terms and Conditions of Purchase be wholly or partially void, the validity of the remaining provisions is not affected. In place of the ineffective provision the parties will together strive to agree a provision that comes closest to what is economically desired in a legally permissible way.

In the event of a not insignificant amendment, supplement and/or replacement of the applicable statutory provisions or for other reasons, STI reserves the right to amend individual provisions of these GTC by unilateral declaration to the Supplier or to replace these GTC by a new version in order to implement the new legal situation or the other reasons in terms of content, economics and editing. The adjustments shall be made with effect from the date on which the new legal situation comes into force, or the other reasons are to apply. The adjustments

shall be notified to the Supplier in text form no later than two (2) months before they come into force. If the Supplier does not agree with the adjustments, it shall be granted a special right of termination at the time of the entry into force or the validity of the adjustments, which must be exercised in writing within one (1) month after notification of the adjustments. If the special termination is not declared or not declared in due time, the new versions of the provisions in these GTC or the new version of these GTC shall be deemed to be agreed.