

Standard Terms and Conditions of Purchase
of
United Monolithic Semiconductors GmbH

Created in February 2021

1. Scope of application

1.1 These Standard Terms and Conditions of Purchase (hereinafter referred to as **STCPs**) shall apply to all orders (hereinafter referred to as **Orders**) placed by United Monolithic Semiconductors GmbH, ULM / Germany (hereinafter referred to as **UMS**), in particular for the purchase of goods/products and/or the provision of services. The term **Supplies** shall refer both to **Products** – regardless of whether the supplier manufactures the product itself or buys it from sub-suppliers (Sections 433, 633, 651 German Civil Code [BGB]) – and **Services** (Sections 611, 662 BGB).

1.2 These STCPs shall exclusively apply to companies (Sect. 14 BGB), corporate entities under public law or special funds under public law within the meaning of Sect. 310, para. 1 BGB.

1.3 With a reference to the corresponding internet page <https://www.ums-rf.com/legal-information/>, where the STCPs can - at any time - be downloaded free of charge and be stored and printed in reproducible form, the supplier has explicitly been made aware of the STCPs when receiving the formal order.

1.4 Unless otherwise agreed upon between the parties, the STCPs shall apply in the version that is valid at the point in time when the respective order becomes effective.

1.5 **Contracts** shall exclusively be concluded pursuant to the STCPs of UMS. They shall also apply explicitly to **Call-off Orders** pursuant to the definition in Clause 3.

1.6 Conflicting and in particular **General Terms and Conditions (GTC) of the Supplier** shall not apply even if the supplier has executed Orders or initiated their completion. This shall apply without specifically rejecting those General Terms and Conditions. UMS hereby explicitly disagrees with the supplier's deviating Conditions of Sale.

1.7 **Deviations** and supplements to the STCPs of UMS shall be explicitly acknowledged by UMS in writing in order to be valid with respect to the specific Order; they shall only apply to the transaction for which they have been concluded in the particular case. This requirement of consent shall apply in any case, e.g. also if UMS accepts the supplier's deliveries without reservations while being aware of the supplier's Conditions of Sale.

1.8 When accepting the Order, latest at the delivery of the ordered goods or the performance of the ordered service, the supplier acknowledges the **sole binding nature of these STCPs**.

1.9 If the supplier does not agree to these STCPs, it must communicate the **objection** in writing to UMS within seven (7) days after receipt of the Order (Clause 2) so that the conditions can be negotiated with UMS. Otherwise the STCPs shall be effective after expiry of this deadline and

the supplier will be deemed to accept them in full by waiving the application of its own GTC.

1.10 **Specific agreements** concluded with the supplier in particular cases (including side agreements, modifications and/or amendments) shall prevail over these STCPs in any case. A corresponding written agreement or the written confirmation by UMS shall be decisive for the content of such agreements.

1.11 Unless otherwise agreed upon between the parties, the following **hierarchy** shall apply in case of contradiction between the contractual documents:

- (1) the Order and the specifications of UMS, i.e. Supply, delivery dates and conditions, Incoterms, financial conditions (*prices, currencies, timeline etc.*), export restrictions etc.
- (2) where appropriate, other individual contractual agreements signed by the parties.
- (3) these STCPs.
- (4) documents that are explicitly referred to in the Order;

2. CONCLUSION AND CONTENT OF THE CONTRACT

2.1 Orders shall only be **binding** if they are placed in writing by UMS and are confirmed in writing by the supplier.

2.2 After receipt of UMS' Order by the supplier, the **acceptance** of the Order must be confirmed in writing within seven (7) calendar days (**order acknowledgement**).

2.3 With the order acknowledgement, the supplier declares that it has received all **information** necessary for the completion of the Order. The supplier shall verify if any necessary information is missing and must, if relevant, request it from UMS retrospectively.

2.4 An order acknowledgement deviating from the Order (even if only marginally) shall be deemed to be a **new offer** and must be confirmed by UMS in order to be valid.

2.5 Unless otherwise stipulated, **previous agreements** concluded between the parties orally or in writing shall be void and non-binding for either party.

2.6 There are no **side agreements** at the time the contract is concluded.

2.7 The supplier must disclose to UMS any information and provide all indications necessary so that the Supplies related to the Order can be used. It must ensure that the corresponding specifications are sufficient and meaningful and it must inform UMS if specifications are not in accordance with the applicable regulations.

3. OPEN ORDER

3.1 An **open order** shall represent the framework for a long-term delivery agree-

ment between the parties and must be indicated as such, e.g. by designating it as a "open order".

3.2 In general, an open order must be set up if UMS intends to order significant quantities which shall be delivered in several batches over a certain period of time ("**call-offs**").

3.3 Unless otherwise agreed upon, the quantities stated in an open order only represent a non-binding **forecast value** that shall enable the supplier to estimate and plan its production according to UMS's needs. Until the specific call-off, these quantities shall not be considered as a binding Order of UMS.

3.4 In the open order, **deliveries** can be agreed as separate order items. Only in the event of a call-off do these items become a binding Order.

4. SHIPMENT, PACKAGING AND TRANSFER OF RISK

4.1 The delivery address stated in each Order of UMS shall be decisive for the delivery. Unless otherwise specifically agreed in writing, the Supplies shall be delivered **carriage prepaid to the specified delivery address**.

4.2 UMS shall have the right to determine the **type of packaging and shipment**. Packaging must comply with the specifications described in the Order and the industry standards and practices.

4.3 In addition to the **indications** that are compulsory according to the applicable statutory regulations (e.g. GGVSEB [Ordinance on the national and international carriage of dangerous goods by road, rail, and inland waterways]; ADR; IMDG; IATA), the following information must be clearly provided on all packaging:

- a description of the content of the delivery/deliveries;
- the quantity of the deliveries made or the gross/net weight;
- the serial number, the date and/or the batch number of the deliveries;
- the place of delivery stated in the Order;
- the storage conditions;
- and any other information that is necessary according to the Order.

4.4 For each delivery, the supplier must issue a **delivery note** including the packaging list and the packaging type as well as contractual information in order to identify and check the quality and quantity of the Supplies.

4.5 The delivered goods must be accompanied by the necessary **documents** – generally standard in the industry – which allow a proper allocation and handling of the delivery at UMS.

4.6 The risk of accidental loss or deterioration of the delivered goods (**transfer of risk**) shall not be transferred to UMS until the hand over or delivery by the supplier

or the transportation company to the delivery address stated by UMS. The same shall apply if UMS staff helps with unloading.

4.7 Until dispatch of the delivery, the goods must be **stored** for UMS free of charge and at the supplier's risk.

5. EXPORT CONTROLS

5.1 The supplier shall comply with the applicable **export control regulations** and ensure that all information regarding export control classification related to the Supplies is complete and accurate.

5.2 Prior to the conclusion of the contract/acceptance of the Order, the supplier shall inform UMS using a **standard control form** if the Supplies are subject to export control regulations, be it in whole or in part, and inform UMS about the relevant requirements.

5.3 Upon UMS's request, the supplier shall obtain all **approvals** necessary to export or re-export the Supplies within the delivery time agreed upon. In addition, the supplier shall **inform** UMS in writing about all difficulties that might occur. If these obligations are not adhered to, UMS shall reserve the right to rescind the contract in whole or in part without compensation.

5.4 As soon as the information is available, the supplier shall inform UMS about all **conditions and restrictions regarding the approvals** that could affect UMS's right to use, transfer or export the Supplies. The supplier shall also ensure that such restrictions are clearly stated on the delivery documents.

5.5 In the event of a **change of export control regulations after conclusion of the contract**, e.g. the approval or the classification system, affecting UMS' right to use, transfer or export the Supplies, the supplier shall provide all information necessary for the assessment of the new use or restriction of the export or re-export as soon as it is available. The parties undertake to enter into negotiations in order to decide on the consequences of these changes to the Order.

5.6 The supplier shall impose the same aforementioned obligations on its own suppliers and **sub-suppliers**.

6. ACCEPTANCE, PERFORMANCE

6.1 The **place of performance** for all deliveries, services and payments shall be the place where the delivery must be made or where the service must be provided according to the Order.

6.2 UMS shall control if the Supplies are free of defects. A reasonable obligation to check and give notice of defects applies to the **goods incoming inspection** by UMS as soon as the delivery arrives at its place of performance. Sect. 377 German Commercial Code (HGB) shall be excluded.

6.3 If, during goods incoming inspection, UMS identifies that the Supplies do not meet the conditions of the Order, UMS shall be entitled to accept the delivery of the products or services with **reservations** and shall state it by indicating the reasons in writing.

6.4 In the event of incomplete or defective Supply, UMS shall have the right to withhold the due **payment** (if necessary on a *pro-rata basis*) until compliant performance is achieved.

6.5 From a written notification of the delivery subject to complaint by UMS towards the supplier, the latter shall undertake to respond to the complaint within seven (7) days and propose measures for **remedy**.

6.6 Unless otherwise agreed upon between the parties, the supplier shall, after the 7-day deadline stipulated in Clause 6.5, **take back** the defective Supply at its own expense and risk within another seven (7) days, respectively pick it up following UMS' decision at UMS' premises.

6.7 As a general rule, acceptance of the delivery and payment **shall not be deemed to be an acknowledgement** of compliant performance.

7. DATES, DEADLINES FOR DELIVERIES AND SERVICES, DELAYS

7.1 Unless otherwise agreed upon between the parties, the **delivery dates** specified in the Order shall be deemed to be **firm dates**.

7.2 Hence, delivery and/or performance times are **binding** and constitute an integral part of UMS' Order. Agreed delivery and performance dates are met when the goods are handed over to the delivery address at the time stipulated in the Order or when the service is provided at the time agreed upon.

7.3 The supplier must inform UMS as soon as it has been made aware of an incident that might cause a **delay** in the delivery. The supplier shall take all necessary measures to avoid a delay or at least mitigate it.

7.4 Deliveries prior to the agreed **delivery date** will only be permitted with UMS' explicit consent.

8. DAMAGE CAUSED BY DEFAULT

8.1 In the event of a failure to meet agreed dates and deadlines pursuant to Clause 7.1, the statutory provisions of **Sect. 376 HGB** shall apply.

8.2 In addition, the supplier shall - besides the legal obligations - compensate for the **damage caused by the delay** based on the following **fee**:

8.2.1 For each working day of default, a **contractual penalty** of 0.3% of the price of the delayed goods, however not more than 15% of the price of the delivery affected by the default. The amount of damage shall be evaluated at a higher or

lower value, if UMS proves a higher or the supplier proves a lower damage. This shall apply similarly to the performance of services.

8.2.2 Subject to a prior notification, UMS shall have the right to **offset** the purchase price in the amount of the contractual penalty incurred.

8.2.3 The right to claim the payment for an agreed contractual penalty shall not be forfeited by the fact that the **contractual penalty was not reserved** explicitly at the time of acceptance of the delayed delivery. This shall apply if it is asserted by the time the final payment is made.

8.3 In the event of a delivery or service delay of more than one month, UMS shall reserve the right to **terminate** the Order pursuant to Clause 23 of these STCPs. This shall not apply if the delay can be assigned directly to UMS or if the delay can be ascribed to an event of force majeure pursuant to Clause 22 of these STCPs.

9. PRICE, INVOICING AND TERMS OF PAYMENT

9.1 The **prices** set out in the Order shall be binding. They shall be **fixed and non-revisable** and cover the products shipped to the stated place of delivery, carriage and packaging paid and net of all duties and taxes. They shall include all Supplier's costs, expenses, fees, expenditure and/or commitments of any kind (*DDP to the place set out in the Order – Incoterms 2020 of the International Chamber of Commerce (ICC)*).

9.2 Irrespective of the reason, **changes** linked to cost increases occurring after the contract shall be excluded, unless otherwise agreed upon explicitly.

9.3 The supplier must issue the invoices in **duplicate** and send them to UMS' accounts payable department at the address stated in the Order.

9.4 The invoices shall include all necessary **supporting documents** and reference to the Order data.

9.5 **Delays** due to non-compliance with these requirements shall fall under the supplier's responsibility. In such cases, payment deadlines shall not start to run before correct invoices meeting these requirements are provided.

9.6 The invoices must contain the following **ordering information/details**:

- complete name and address of the invoicing party and the recipient of the invoice;
- the invoicing party's tax number and VAT identification number;
- invoicing date;
- consecutive invoice number;
- quantity and type of article delivered or scope and type of service;
- individual amount per service or delivery, broken down according to value added tax rates;

- date of the delivery or period in which the service was provided;
- net amount of the goods or service, broken down according to tax rates and individual tax exemptions;
- any reduction of the payment amount that has been agreed in advance, such as a cash discount or any other kind of discount;
- applicable tax rate and the resulting VAT amount;
- total invoice gross amount;
- currency set out in the Order;
- country of origin of the goods;
- payment term.

9.7 If the invoice does not include all the necessary information, UMS shall have the right to request a correct and complete invoice. In such case, the invoice must be sent back to the supplier stating the reasons for the rejection. The supplier shall then issue a **new invoice**.

10. PAYMENT, TERMS OF PAYMENT, DEFAULT IN PAYMENT AND RESERVATION OF TITLE

10.1 The **payment term** shall be 60 days net unless otherwise agreed.

10.2 The payment deadline starts with receipt of a correct invoice at UMS (**due date**), however, not before UMS has received and accepted the delivery.

10.3 Payment shall be made by UMS via **bank transfer**. Payment shall be deemed to be on time if the transfer order is received by the bank prior to expiry of the payment deadline; UMS shall not be responsible for delays due to the banks involved in the payment process.

10.4 If deliveries are accepted prematurely by UMS, the due date shall be determined by the delivery date agreed upon; in the event of partial deliveries, the receipt of the last partial quantity shall be decisive.

10.5 If UMS finds itself in default in payment, the supplier shall have the right to claim interest in the amount of 4% per year. UMS shall reserve the right to prove a lower default damage, the supplier shall reserve the right to prove a higher default damage.

10.6 A reservation of title that might possibly be declared by the supplier shall be deemed to be a **simple reservation of title**; UMS explicitly rejects a prolonged or extended reservation of title.

11. SUPPLIER RECOURSE

11.1 In addition to the claims for defects, UMS shall be entitled without limitation to the statutory rights of recourse within the supply chain (*supplier recourse pursuant to Sections 445 a, 445 b, 478 BGB*). In particular, UMS shall have the right to claim from the supplier exactly the type of supplementary performance (*rework or replacement delivery*) that UMS itself

owes its customers in a particular case. The right to choose, which UMS is entitled to by law (*Sect. 439 para. 1 BGB*), shall not be limited thereby.

11.2 The claims arising out of recourse against suppliers also apply if the defective goods have been further processed by UMS or another company, e.g. by incorporating them into another product.

12. COMPLIANCE WITH THE PROVISIONS ON ENVIRONMENT AND LABOUR LAW; SOCIAL CORPORATE RESPONSIBILITY

12.1 The supplier shall comply with all national and supranational laws and regulations when providing goods or services pursuant to UMS' Orders - including the laws and regulations with regard to working standards, safety, health and protection of the environment. In addition, the supplier shall ensure that third parties (e.g. subcontractors or external suppliers) also adhere to these laws and regulations.

12.2 The supplier ensures towards UMS that:

- (1) the legal minimum wage will be paid correctly pursuant to the Minimum Wage Act;
- (2) no subcontractor will be used who does not or not properly pay the legal minimum wage pursuant to the Minimum Wage Act;
- (3) neither the supplier itself nor one of its subcontractors commissions an agency (temporary employment agency) that does not pay or not correctly pay this legal minimum wage and;
- (4) neither the supplier itself nor one of its subcontractors is excluded from receiving public contracts.

12.3 Upon request, the supplier must prove these provisions to UMS. If the supplier infringes the aforementioned obligations, UMS shall - irrespective of further rights - be entitled to set the supplier an adequate delay to comply with the respective obligations, and terminate the contract after fruitless expiry of the deadline.

12.4 The supplier shall refrain from using Products manufactured in breach of the prohibition of illegal work, child labour or in violation of labour standards defined by national or international labour organisations.

12.5 The supplier's delivery and activity must comply with the applicable international, European, national and local provisions and standards with regard to health, safety and environment; in particular regarding:

- hazardous substances and compounds (*REACH, RoHS, etc.*), dangerous goods, waste, packaging;
- consumption of energy and natural resources;

- noise, electricity, fire, electromagnetic/ionising/optical/visual radiation, vibrations;
- individual safety measures.

12.6 The supplier shall inform UMS about any breach of the aforementioned regulations. The supplier must compensate or indemnify UMS for all consequences of non-compliance with the obligations stipulated in this Clause. The specific recommendations/instructions with regards to such non-compliance will be shared with UMS to ensure a safe use and disposal of the Supply throughout its entire lifetime including the end of its operating life.

12.7 If the supplier has its registered office outside the European Union (EU), it shall - in the event of a delivery inside the EU - be responsible for compliance with these regulations and guidelines and the creation of the necessary accompanying documents, unless otherwise stipulated by the ordering party.

12.8 The supplier shall impose the same aforementioned obligations on its own suppliers and sub-suppliers.

12.9 The supplier confirms not being involved in the criminal offences of illegal employment, black market, illegal employee assignment, employment of a foreign person without a work permit, human slavery or trade with foreign employees.

12.10 The supplier must ensure that in the company, rules and regulations regarding safety at work comply with the Anti-Discrimination Law.

12.8 The supplier's employees who work in UMS' premises shall adhere to the internal rules and regulations (except for the provisions that apply to the nature and extent of sanctions) as well as the safety and control rules relevant to the customer's respective premises.

12.9 The supplier, who will be informed about the UMS code of ethics, commits to respect the obligations contained therein.

12.10 The supplier shall ensure that its external suppliers and subcontractors also adhere to these obligations. If necessary, UMS shall reserve the right to perform an audit/inspection.

12.11 The supplier shall be entirely liable for all consequences of non-compliance with these provisions and must compensate UMS for all costs that might arise therefrom.

13. RESULTS OF THE EXECUTION OF THE ORDER

13.1 The **results of the execution of the Order**, including studies, related to the fulfilment of an Order, will become the exclusive property of UMS - irrespective of whether they are protectable as intellectual property rights.

13.2 The supplier shall transfer UMS the exclusive and unlimited right of use and exploitation with respect to geography,

content, subject and time of the aforementioned results. This grant of rights shall include the right to duplicate, reproduce, alter, process, translate and market in any form, in whole or in part, with any means and on all known or future media.

13.3 Unless otherwise stipulated, the remuneration for this grant of rights shall be included in the price of the Supply.

13.4 In the event that UMS is prevented from using the Supply for reasons attributable to the supplier, the supplier shall, notwithstanding UMS' right to withdraw from the contract or Order, implement immediately one of the following measures at its own expense and at UMS' discretion:

- either obtain for UMS the right to freely use the Supply; or
- replace or modify the Supply so that all user rights cannot be disputed anymore and correspond to the contractual agreements; or
- upon UMS' request, take back at its own expense the Supplies which have already been delivered and which violate property rights.

The supplier shall immediately and upon UMS' first request, reimburse in full all costs/expenses that UMS may incur in connection to the event.

14. INDUSTRIAL PROPERTY RIGHTS OF THE SUPPLIER

14.1 The supplier shall assign to UMS the right to **register** industrial property rights (e.g. *patents, brands, registered designs etc.*) resulting from the execution of the Order and for which it may have received support from UMS.

14.2 For this purpose, the supplier shall grant UMS all necessary **powers of attorney** and if necessary have them granted by its employees, so that UMS is able to register all industrial property rights both in Germany and abroad.

14.3 In return, UMS may concede the supplier a **non-exclusive licence** for the aforesaid property rights, for use in other application fields than that of UMS, as defined in its corporate purpose.

14.4 The supplier undertakes not to enforce its industrial property rights **against UMS**. This shall apply exclusively insofar as these rights are necessary to complete the Order.

15. INDUSTRIAL PROPERTY RIGHTS OF THIRD PARTIES

15.1 To fulfil the Order, the supplier undertakes not to use the **industrial property rights of third parties** without their prior consent. Duties or fees that could be due for such use shall be borne exclusively by the supplier. The supplier shall indemnify UMS in full against third-party claims in this respect.

15.2 UMS shall inform the supplier immediately about **third-party claims** or

their enforcement in relation to the violation of third-party property rights.

15.3 In the event of a legal dispute, the supplier undertakes, at the choice of UMS, to either cooperate with and actively support UMS in the court proceedings, or to enter voluntarily without delay into the proceedings and take over the conduct of the case.

15.4 In the event of an extra-judicial claim, the supplier shall take the necessary steps to settle the dispute with the third party. While doing so, the supplier will keep UMS informed about the status of the case.

15.5 The supplier must compensate for damages that UMS incurs from the enforcement of third-party property rights, irrespective of the nature and the legal ground.

16. PROTECTION OF BUSINESS SECRETS OF UMS

16.1 Every agreement concluded with UMS with regard to Orders, its purpose and terms shall be considered by the supplier as UMS **confidential information**.

16.2 UMS shall retain the sole **right of ownership and copyright** of all documents shared with the supplier in connection with the Order, no matter which format they have and on which kind of data carrier they are recorded or stored.

16.3 These rights must be dealt with confidentially; they are **protected by copyright and secrecy** pursuant to the legal provisions and must not be made available to third parties, in particular to competitors, without the **explicit written consent** of UMS; they must not be duplicated or be used for any other purposes than those stipulated by UMS. They shall exclusively be used for the fulfilment of the Order.

16.4 Pursuant to the **Law on the Protection of Trade Secrets**, the supplier shall treat all non-public commercial and technical knowledge and information it has become aware of in the course of the business relationship as a business secret of UMS.

16.5 The supplier shall take all necessary **measures** towards its employees and also persons and/or companies with whom he is in contact to ensure the strict compliance with the aforementioned obligations.

16.6 Under no circumstances shall the supplier have the right, without the prior written consent of UMS, to make the terms of the Order or the existence thereof publicly available for **advertising purposes**, whether directly or indirectly.

16.7 As long as the corresponding documents are in the supplier's possession, it shall **insure** them against fire and theft.

16.8 The supplier shall also compel its **subcontractors/sub-suppliers** to adhere to the aforementioned provisions.

16.9 Insofar as the supplier can prove it, these obligations shall **not apply** to information

- which becomes public without any breach of obligation on the part of the supplier or, insofar as the supplier is able to identify it, without any breach of obligation by an authorised person;
- which was already public knowledge at the moment the contract was concluded;
- which the supplier obtains or has obtained legitimately from a third party if the third party is not obliged to secrecy towards UMS and if this is not discernible for the supplier;
- which the supplier knows independently of UMS.

17. OBSOLESCENCE

17.1 If, due to obsolescence e.g. due to outdated technology, stop of manufacturing/sale of a product or its components, economical reasons, the supplier is no longer able to perform the Order in part or in whole, UMS has the right to cancel the contract provided the reason for the obsolescence can be ascribed to a supplier breach regarding the following obligations.

17.2 The supplier shall, to the best of its abilities, take all necessary steps to ensure that no obsolescence arises to the disadvantage of UMS. For this purpose, the supplier shall take all necessary measures to fulfil the Order as agreed upon and to protect UMS from any damage.

17.3 If, however, an impossibility to fulfil the Order is pending and inevitable, the supplier shall propose a "last buy order" to give UMS the possibility to build up a stock, based on the conditions and quantities agreed upon at the time when the obsolescence was declared.

18. WARRANTY

18.1 Without limitation, the supplier shall be liable for **defective** Supplies pursuant to the statutory provisions.

18.2 Agreements on the **quality condition** are those that concern the delivery, such as - in particular - the agreed execution and quality and the purpose of use. Furthermore, any product or service description which - in particular through designation or reference in the underlying Order - is the subject matter of the respective contract or which is incorporated in the contract in the same way as these STCPs, shall in any case be considered as an agreement on the quality.

18.3 The supplier guarantees that the Supply meets the latest **state of the art**, the provisions of the relevant authorities as well as the statutory provisions.

18.4 If the **defect** is identified **before the final Product is delivered to UMS' customer**, the supplier shall either bear the

costs for the rework and - if this is not possible - the costs for the replacement. But in any case the reworking costs as well as the costs for the removal of the defective feature and the mounting or installation of the reworked or subsequently delivered defect-free object shall be borne by the supplier.

18.5 If a **defect** is identified **only after the final Product is delivered to UMS' customer**, the supplier shall, in addition, bear part of the costs arising from recall campaigns in proportion of the damage caused. UMS will notify the supplier after it has become aware of such defects and will determine how to proceed.

18.6 After the defect has been eliminated/the Order has been fulfilled and accepted by UMS, the **warranty period** for the replaced Supply restarts.

19. LIABILITY – RECALL CAMPAIGNS

19.1 The supplier shall be liable for all damages to persons, property and/or financial losses as well as non-material **damages** incurred by UMS or third parties and for which the supplier or its representatives, employees, subcontractors, sub-suppliers and/or service providers are responsible.

19.2 Insofar as the supplier is responsible for damage within the meaning of the German Product Liability Law or pursuant to Sections 823 et seq. BGB, it shall compensate UMS for all damages caused in this respect or indemnify UMS, upon first request against claims for damages arising from third parties, since the cause lies within its scope of control and organisation.

19.3 Within the scope of its liability, the supplier shall also reimburse possible **expenses** that may arise from a recall campaign carried out by UMS.

20. INSURANCE

20.1 Without restricting the supplier's liability within the scope of these STCPs, the supplier shall - in addition - subscribe and maintain necessary insurance contracts offering sufficient protection and coverage to address the potential risks related to the Order. In particular, the supplier shall arrange for a comprehensive insurance coverage regarding the market relevant for the corresponding Order (*aerospace, automotive etc*).

20.2 The supplier shall subscribe a **product liability insurance** with a coverage of at least EUR3.0M per claim for personal injury/property damage, maximised twofold per year - as a lump sum - and to maintain it duly. Unless otherwise agreed upon in a particular case, this insurance must also cover the risk of recalls. Claims for damages of UMS exceeding the insurance coverage shall remain unaffected thereby.

20.3 Upon UMS' request, the supplier

must submit relevant **certificate of insurance** prior to the conclusion of the contract and, if relevant, for each following year.

20.4 The supplier must inform UMS about any **change** that may lead to an alteration of the scope of the insurance coverage relevant for the Order and its potential amendments.

20.5 The supplier shall meet all its obligations towards the insurance company to ensure the insurance coverage remains effective and valid.

21. ASSIGNMENT, RETENTION

21.1 The supplier commits not to assign, transfer or grant the rights and obligations arising from an Order, in whole or in part, to a third party without UMS prior written consent.

21.2 The supplier confirms that UMS can rely on the uninterrupted availability of the supplier's service and the immediate transfer of the results, reports or information pursuant to these STCPs. Hence, the supplier can only assert each retention right if and insofar as

- its counter-claims have not been contested by UMS or found to be legally binding; and
- it has announced in writing a right to retain at least 10 (ten) days in advance.

22. FORCE MAJEURE

22.1 All events unforeseeable for the parties or those which - even if they were foreseeable - are outside the parties' respective sphere of influence and whose impacts on the performance of the contract could not be avoided despite the respective party's reasonable efforts, shall be considered as a force majeure.

22.2 Events of force majeure can be in particular:

- a) natural disasters such as flooding, earthquakes, lightning strikes, hail and similar unfortunate incidents;
- b) war, hostilities, invasion, hostile actions and civil unrests;
- c) travel warnings of the Federal Foreign Office;
- d) a declared pandemic and the subsequent measures.

22.3 Circumstances which shall not be considered as events of force majeure include social conflicts (except for general strikes) and raw material price increases.

22.4 If one of the parties is unable to fulfil its contractual obligations due to force majeure, this party shall be obliged to report the event or the circumstances which represent a force majeure to the other party. This will be done by indicating the obligations it is unable to fulfil or will be unable to fulfil.

22.5 This notification must be made in writing by submitting documents proving

the existence of a force majeure and within five (5) business days after the corresponding party has become aware of the relevant event or the circumstances of the force majeure. The notification should also include the estimated delay of the performance. After submission of this notification, the respective party shall be relieved of his obligations as long as the force majeure continues.

22.6 If the fulfilment of all or some Orders is delayed by a force majeure for an uninterrupted period of more than 30 days, UMS shall be allowed to rescind the contract with immediate effect. The rescission must be communicated by registered mail with return receipt.

23. END OF THE CONTRACT

The contract ends by termination or rescission.

23.1 Termination of the contract

23.1.1 At any time, each party has the right to terminate the contract for important grounds in writing and without observing a period of notice. Important grounds shall in particular exist in the following cases:

- (1) violation of major contractual obligations whose fulfilment enable the performance of the contract in the first place;
- (2) one of the parties falls under the controlling influence of a competitor of the other party through one of its shareholders or stakeholders.

23.1.2 Both parties shall have the right to terminate the contract in writing by giving a period of notice of 3 months.

23.1.3 In case UMS' Customer terminates its orders towards UMS – either by ordinary or extraordinary termination – UMS shall be entitled to reach another arrangement with the supplier by mutual agreement.

23.1.4 In the event of termination or other ending of a contract, the supplier must immediately return all objects provided by UMS. This shall include all documents such as drawings, devices and tools.

23.2 Rescission from the contract

23.2.1 Notwithstanding any possible claims for damages, UMS can - in whole or in part - rescind the contract by registered mail with return receipt if the supplier fails to fulfil all or part of its obligations in connection with the Order within a certain period set by UMS. By registered mail with return receipt, UMS must set the supplier a reasonable time frame with the declaration that it will rescind the contract after unsuccessful expiry of the deadline.

23.2.2 If UMS rescinds the contract pursuant to the aforementioned Clause 23.2.1, the statutory restitution obligations must be respected and any already received work and any uses made must

be returned, subject to contradictory agreements between the parties.

23.3 UMS must pay only for the Supplier's work performed until the effective termination of the contract.

23.4 If the contract or the Order is terminated pursuant to the afore-mentioned Clauses, the supplier shall - at UMS's request - return and/or assign to UMS the remaining stock of raw materials and/or finished or semi-finished products and/or the safety stocks that it uses for the performance of the Order and that are in its possession on the day of the termination of the contract/Order and/or the ongoing studies.

24. STATUTE OF LIMITATION

Unless otherwise agreed upon, the claims of the contracting parties shall lapse pursuant to the legal provisions.

25. APPLICABLE LAW / PLACE OF JURISDICTION

25.1 All legal relationships in connection with the contract shall exclusively be governed by the law of the Federal Republic of Germany under exclusion of the conflicts of law and the UN Convention on Contracts for the International Sale of Goods (CISG).

25.2 Disputes, disagreements or suits arising in connection with an Order and/or the STCPs will - in a first step - be clarified in the frame of a mediation process before the court of arbitration at the Chamber of Commerce Hamburg / Germany.

Only when this proceeding is completed may legal action be taken before the competent ordinary Court/Chamber for Commercial Matters.

25.3 The place of jurisdiction for all disputes arising, directly or indirectly, out of the contractual relationship is the competent court at the registered office of UMS in Ulm / Germany.

26. MISCELLANEOUS

26.1 UMS' omission to enforce a right by the end of a deadline or to request fulfilment of a claim shall not be considered as a waiver. Nor does it affect the validity of the contract or Order or the right to request the enforcement or fulfilment at a later date.

26.2 Should any provision of these STCPs or an Order placed according to these STCPs - pursuant to applicable law - become void, illegal or unenforceable, it shall not affect the validity of the other provisions. The supplier and UMS shall undertake to replace the ineffective provision or parts thereof with a new provision reflecting as much as possible the economic effect intended by parties when the relevant contract or Order was concluded.