

## General Purchase Conditions

### 1. Scope; conclusion of contracts

1.1 These Conditions of Purchase shall apply to deliveries and services of the Supplier, unless otherwise agreed. Other general standard terms and conditions, in particular standard terms and conditions of the Supplier, shall not apply even if they are not expressly objected to in an individual case or if ordered goods/services have been accepted without reservation.

1.2 Orders and their acceptance shall be in writing.

1.3 Oral agreements, of whatever nature, shall not be valid unless confirmed in writing by Diversified Automation Inc. ("DAI"). Diversified Automation Inc. is part of the Leadec group of companies. Written form shall also include confirmations sent by email or fax.

1.4 If the Supplier does not accept orders within two weeks of their receipt, DAI shall be authorised to revoke them at no cost.

1.5 The Supplier shall only assign third parties with order fulfillment in full or in part with DAI's prior written approval.

1.6 These Conditions of Purchase shall only apply to business dealings.

### 2. Delivery; consequences of failure to meet delivery times

2.1 Agreed delivery times shall be binding. DAI shall be notified without undue delay in writing of any circumstances which prevent the delivery time from being met or delay delivery. The time the goods are received or the service is completed at DAI's premises or at the place where they are to be delivered/performed as stated in the order ("place of performance") shall determine whether the delivery time has been met.

2.2 Part deliveries shall require the consent of DAI.

2.3 The Supplier is obliged to ensure that goods it has supplied or spare parts for them can be supplied to DAI at reasonable terms and conditions for a period of 10 years after the last delivery. If the Supplier intends to discontinue supplying such goods or spare parts for them during this period of time or after this period of time expires, it shall inform DAI immediately in writing and give DAI the opportunity to place last orders.

2.4 If agreed delivery/performance times are not observed, DAI can demand for each commenced

week by which the deadline is overrun an amount of 0.5%, but a maximum of 5%, of the total order value as a lump sum without having to furnish proof of damage or loss, unless otherwise agreed explicitly. In addition, DAI shall be entitled to claim statutory rights. Acceptance of the delayed delivery or service shall not constitute any waiver of compensation. The Supplier shall be liable to pay the above even if no explicit reservation is specified when the goods or services are accepted.

### 3. Prices; terms of payment; transfer of risk

3.1 Unless otherwise agreed, the prices are delivered duty paid (DDP) in accordance with Incoterms 2020, including packaging plus statutory value-added tax.

3.2 Invoices can only be processed if – in accordance with the stipulations in the order – they specify the order number stated in the order and all other reference information; the Supplier shall be responsible for all the consequences of a failure to comply with this obligation, unless it proves that it is not to blame for said failure.

3.3 Unless otherwise agreed, invoices shall be settled within 30 days with a 3 % cash discount or net within 60 days as of the date the demand for payment is due and receipt of both the invoice and the goods/performance of the service.

3.4 The Supplier shall bear the risk of accidental loss and accidental deterioration of the goods until they have been accepted by DAI or its agent at the place where the goods are to be delivered as stated in the order.

3.5 The parties agree, and the Supplier expressly acknowledges that the effective conclusion of a bonus agreement of any kind whatsoever requires the written consent of the management of DAI.

Agreements deviating from this are invalid.

### 4. Acceptance

4.1 A formal acceptance by DAI shall be required in case the supplier is to provide a work performance or work delivery. If the inspection of the work performance or work delivery requires putting it into operation, acceptance shall be made after putting into operation was free from defects. The acceptance shall, at DAI's option, either take place at the Supplier's plant or at the place of delivery.

4.2 Acceptance may be made by issuing an acceptance certificate or by DAI taking delivery of the goods.

Payments without reservation shall not constitute

an acceptance or an approval of delivery items or a waiver of warranty claims.

4.3 All costs of acceptance shall be borne by the Supplier.

## 5. Shipment

5.1 Notification of shipment of the goods shall be given at the latest at the time the deliveries leave the Suppliers' premises. The shipping address and DAI's order number, including the item number, shall be indicated on all shipment papers, bills of lading and parcel labels. Consignments for which DAI has to bear all or part of the freight costs shall be transported at the lowest freight rates or according to DAI's shipping instructions. Cartage at the place of destination will not be paid. The shipping instructions, in particular the place where the goods are to be delivered, which is also the place of performance, shall be stated in the order.

5.2 In order to prevent damage in transit due to the cargo being secured inadequately or not at all, the Supplier shall have the cargo secured by the carrier collecting it.

## 6. Packaging

6.1 The Supplier undertakes to ship its produced or processed goods only in packaging that is environmentally friendly in terms of type, shape and size and that complies with the latest version of official or other goods related applicable packaging regulations.

6.2 Irrespective of whether the packaging concerned is transport packaging, retail packaging or an outer protective wrapping, the Supplier agrees to take it back after use without any additional charge and to reuse or recycle it outside the public waste disposal system.

## 7. Notice of defects

DAI shall endeavour to check incoming deliveries for their correct quantity, damage in transit and obvious defects, insofar and as soon as this is expedient in the ordinary course of business. DAI shall report defects as soon as they are discovered and shall have all remedies available to it under the Uniform Commercial Code regarding said defects.

## 8. Liability for defects

8.1 The Supplier warrants to DAI that the ordered goods or services are free of defects as to quality and defects of title at the time of the passage of risk.

8.2 If DAI informs the Supplier of the intended use and place of use of the goods to be supplied, the Supplier warrants that its delivery and service are suitable for that use and place.

8.3 If a defect as to quality or a defect of title exists, DAI shall be entitled to statutory warranty claims without reduction, unless otherwise agreed.

8.4 In principle, DAI shall have the right to select the manner of remedy. If the Supplier does not begin with subsequent remedy as part of the contract, i.e. rectification of defects or delivery of a substitute, as soon as it has been requested to do so by DAI, DAI shall have the right in urgent cases, in particular to avert danger or avoid/limit damage, to carry out the manner of remedy selected by DAI, or to have it carried out by a third party, at the expense of the Supplier. DAI shall have the same right if rectification of defects or delivery of a substitute fails or is refused.

8.5 If claims are asserted against DAI due to the infringement of third-party rights in connection with the Supplier's delivery/service, the Supplier shall be obliged to indemnify and hold harmless DAI against these claims at the first written request. The Supplier's obligation to indemnify and hold harmless DAI shall relate to all expenses necessarily incurred by DAI from or in connection with the claims asserted against it by a third party.

8.6 Claims for defects shall become time barred after 24 months – except in cases of willful misconduct – starting from the day of acceptance, unless otherwise agreed. If the good or service delivered is used in a building, DAI's warranty claims against the Supplier shall become time barred after 5 years after delivery of the good or provision of the service. If the Supplier meets its obligation to remedy a defect by supplying substitute goods, the period of limitation for said goods shall commence anew after they have been delivered.

The notice of defect suspends the limitation period for warranty claims regarding the delivery item concerned.

8.7. The Supplier undertakes to bear all installation and removal costs as well as transport costs to and from the place of use in cases where such costs have demonstrably been incurred due to deficient delivery/performance. DAI therefore advises the Supplier to take out special liability insurance for installation, removal and transport costs to and from the place of use with coverage of at least \$250,000.00 per damage event.

## **9. Software**

9.1 DAI shall obtain the right to use software that is part of the scope of delivery, including the documentation for it, with the agreed features, to the extent necessary for the contractual use of the software and as permitted by law.

9.2 Before the software is shipped or installed on a system of DAI or its end customers, the Supplier shall check it for viruses, Trojans and other computer malware using up-to-date, customary antivirus programmes.

## **10. Quality assurance**

10.1 The Supplier undertakes to warrant permanent quality assurance for its goods by means of installation of an adequate quality assurance system, e.g. DIN EN ISO 9001 ff or similar and to undertake quality tests and checks that are prescribed by DAI or which are otherwise suitable during and after production of its deliverables. The Supplier shall document these tests and checks.

10.2 DAI shall have the right to require proof of the quality assurance system installed at the Supplier, to satisfy itself of how the quality tests and checks are carried out on site, including if applicable at subcontractors' premises and to conduct audits at the Supplier's site.

10.3 The Supplier shall immediately inform DAI in writing of changes in the composition of the processed material or design of its deliveries or services without being requested to do so. The changes shall require the written consent of DAI.

10.4 The quality assurance policy DAI disclosed to the Supplier and the quality assurance agreements concluded with the Supplier shall be part of the contract.

## **11. Requirements for marketing products; product liability**

11.1 If the Supplier supplies products which fall under the scope of application of a European Directive for first-time placing on the market, such as the EU Machinery Directive, Pressure Equipment Directive, EMC Directive, etc., it undertakes that it shall comply with the relevant health and safety requirements and processes specified in them. The Supplier shall issue an EC declaration of conformity for its products and shall affix a CE mark, if stipulated in these Directives. In the case of partly completed machinery according to the EC Machinery Directive No. 2006/42/EC, the Supplier shall provide DAI with a declaration of

incorporation according to Annex II B of the EC Machinery Directive in the form requested by DAI (extended declaration of incorporation) and additionally provide instructions for use in accordance with Section 1.7.4 of Annex I of the EC Machinery Directive. If requested by DAI, the Supplier shall at DAI's discretion either allow DAI to inspect the risk assessment created by it or shall provide it to DAI.

11.2 General Indemnification. Supplier shall defend, indemnify and hold harmless DAI and DAI's parent company, its subsidiaries, affiliates, successors, or assigns and their respective directors, officers, shareholders and employees (collectively, "Indemnitees") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification under the order, and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or occurring in connection with the goods or services purchased from Supplier or from Supplier's negligence, misconduct, or breach of these Conditions of Purchase. Supplier shall not enter into any settlement without DAI's prior written consent.

11.2 Where possible and reasonable, DAI shall inform the Supplier of the content and scope of the measures to be performed and coordinate them with the Supplier. Other claims under product liability law shall remain unaffected.

11.3 DAI advises the Supplier to maintain a product liability insurance to cover the risks from Section 11.2, with coverage of at least \$ 2,500,000.00 per occurrence. However, DAI may, in its sole discretion, change the amount of insurance required in this Section 11.3 to a lower amount based on the scope of goods or services.

## **12. Intellectual Property Rights**

The Supplier shall be liable for claims arising from infringement of intellectual property rights or applications for intellectual property protection when the delivery is used in conformity with the contract. The Supplier shall indemnify and hold harmless DAI, DAI's contract partner and/or the user from any claims related to the use of such intellectual property rights.

## **13. Safety; protection of the environment**

13.1 The Supplier shall ensure that its deliveries and services meet the environmental protection,

accident prevention and work safety or further security or safety relevant regulations in force at the premises of DAI or other place of performance if DAI points out such regulations at said premises or place to the Supplier, in order to avoid or reduce harmful impacts on human beings and the environment. To this end, the Supplier shall install and enhance a management system, e.g. DIN EN ISO 14001 or similar. DAI shall have the right, if applicable to require proof of the management system installed at the Supplier and to conduct audits at the Supplier's site.

13.2 The Supplier has to comply with the relevant provisions on the handling and placing on the market of hazardous goods as included amongst others in the EC Directive concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), the law on Chemical Substances and the ordinance on hazardous substances. The Supplier also has to observe the relevant provisions on the disposal of waste and recycling material and point out any product handling, product storage and disposal requirements to DAI.

#### **14. Models and tools; confidentiality**

14.1 Any models and tools which are produced by the Supplier at DAI's expense shall become the property of DAI upon payment for them. They shall be treated with care by the Supplier, indicated as property of DAI and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage. Resale of the parts produced using these models and tools shall not be permitted without the express written approval of DAI.

14.2 Documents, drawings, plans and sketches and other know-how of DAI which DAI entrusts to the Supplier for producing the ordered delivery and/or service, in whatever form (in writing, by fax, by e-mail or on electronic data carrier) shall remain the property of DAI.

They are trade secrets of DAI and shall be treated confidentially. The Supplier undertakes to treat them with care, to make them available only to employees who need them for fulfilling the contract and who are in turn obligated to maintain confidentiality, not to make them available to third parties, to make copies only for the purpose of executing the order, and to return all documents, including copies of them, to DAI upon completion of delivery.

#### **15. General Data Protection Regulation**

Under Article 6 of the General Data Protection Regulation (GDPR), DAI is entitled to store, transmit, revise and delete any person-related data of the Supplier in course of business transactions. The data are stored in the ERP and/or SRM system of the Leotec Group. The Supplier is notified of this in accordance with Article 12 GDPR. More details regarding handling of data can be found on our website.

#### **16. Export control**

16.1 Supplier agrees to comply with (a) all applicable U.S. Export Administration Regulations (and the prohibitions on activities with entries on the Denied Persons and Entity Lists contained therein), (b) the International Traffic in Arms Regulations and any regulations administered by the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), and (c) all applicable laws and regulations of countries other than the United States that govern the importation, use, export or re-export of the Deliverables, Services and Products.

16.2 The Supplier must inform DAI of any approvals required on the (re-)export of its goods by German, European, US or other applicable export or customs regulations. For this purpose the Supplier will, insofar as this was not already provided in its offer, supply the following information next to the relevant item references at DAI's request when an order is accepted and on every delivery note:

- The commodity code (HS code)
- The AL number (export list number) in accordance with Annexes I and IV of the EC Dual-Use Regulation No. 428/2009 in its valid version or Part I of the export list (Annex "AL" of the German Foreign Trade and Payments Regulation (AWV))
- The ECCN (Export Control Classification Number) in accordance with US export law.

16.3 At the request of DAI, the Supplier shall be obliged to inform DAI in writing of all further foreign trade data related to the goods and its components, as well as inform DAI immediately in writing of all changes to the data specified in Section 16.2.

16.4 If details in accordance with the previous sections are not provided or are provided incorrectly, DAI shall, without prejudice to further rights be authorised to withdraw from the contract.

#### **17. Insolvency of the Supplier**

If the Supplier suspends payments or if the Supplier or one of its creditors files for insolvency proceedings on the Supplier's assets or similar proceedings on debt clearing, DAI can, without prejudice to its other statutory and contractual rights, at its discretion terminate the contract and/or enter into the contracts of the Supplier with its subcontractors.

### **18. Entrepreneurial responsibility; Business Partner Code of Conduct**

The Supplier declares its commitment within the scope of its entrepreneurial responsibility to ensure that it complies with legal provisions, including environmental protection laws, regulations relating to labour law and laws on the safety of employees, and does not tolerate child or forced labour in or in relation to the production (incl. sourcing and use of raw materials) and sale of its goods or the provision of its services. Upon accepting the order, the Supplier further confirms that it shall not commit or tolerate any form of bribery and corruption and to observe the provisions of the Leadec Business Partner Code of Conduct, available online at: <https://www.leadec-services.com/the-leadec-group/compliance>

### **19. Force Majeure**

Force majeure, labor disputes, civil disorder, governmental actions, pandemic, epidemic and other unforeseeable and unavoidable events of major significance release the contracting parties from their performance obligations for the duration of the disturbance to the extent of the impact thereof. The same applies if these events take place when performance by the contracting party affected is already overdue. The contracting parties are required to provide the information reasonably necessary without delay and to adjust their mutual obligations to the altered circumstances in accordance with the principle of good faith dealing.

### **20. General provisions**

20.1 The assignment of claims without the express written approval of DAI shall be excluded.

20.2 The contract shall be governed by the laws of the State of Kentucky without regard to applicable principles of conflict of laws. Supplier hereby irrevocably consents to exclusive jurisdiction of any state or federal court located within Louisville, Kentucky, in connection with any matter based upon or arising out of this contract or the matters contemplated herein. Supplier agrees that process may be

served upon it in any manner authorized by the laws of the State of Kentucky for such persons and waives and covenants not to assert or plead any objection which it might otherwise have to such jurisdiction and process.

20.4 If individual provisions of these Conditions of Purchase are or become invalid in full or in part, this shall not affect the remaining provisions.