ELAC SONAR

A COHORT PLC COMPANY

PURCHASING CONDITIONS

1. Purchase order, acceptance, tender documents

1.1. Unless otherwise expressly agreed, all purchase orders placed ELAC SONAR GmbH – hereinafter referred to as "ELAC" –, whether for deliveries of goods or for the provision of services, shall be subject exclusively to these Purchasing Conditions. Conditions of the Contractor and/or deviations in his order confirmation are hereby expressly contradicted.

1.2. Unconditional acceptance of order confirmations or deliveries shall in no way imply acceptance of such conditions.

1.3. Purchase orders and contracts shall be binding when made in writing or confirmed in writing to the respective purchasing officer. The order confirmation shall include a repetition of all technical data together with prices and delivery times. Changes and deviations in the order confirmation made without the consent of ELAC shall be invalid, even if ELAC does not expressly contradict such terms.
The Contractor is obliged to accept our purchase order immediately, but not more than (14) calendar days following receipt. The order confirmation shall be sent by e-mail. Our article numbers and our transaction and purchase order numbers must be used in all correspondence with us.

1.4. Unless otherwise specifically agreed, no remuneration shall be paid for the preparation of quotations, drawings, plans, etc.

2. Delivery and shipping

2.1. Delivery shall be made in accordance with the purchase order or the subsequent instructions from ELAC on the agreed or subsequently announced dates. The delivery date shall be understood as the date of arrival.
If the Contractor foresees difficulties with regard to production, supply of raw materials or similar circumstances which could prevent him from delivering on time or from delivering in the agreed quality, the Contractor shall inform ELAC immediately, but not later than 3 working days after becoming aware of the possible delay in delivery.

2.2. The Contractor shall comply with the shipping instructions from ELAC and the forwarding agent or carrier. The ELAC article numbers and purchase order numbers shall be indicated in all shipping documents, correspondence and invoices. The delivery note must contain additional information on delivery quantity, gross and net weight. If shipping documents are missing or if they are filled out incorrectly, the Contractor shall bear the additional costs.

2.3. Unless otherwise agreed, the costs of transport including packaging, storage charges, any necessary insurance not already taken out by ELAC and all other ancillary costs shall be borne by the Contractor. On request in good time, packaging materials will be returned to the Contractor at the expense and risk of the Contractor.

2.4. Delivery shall be made on the confirmed delivery date free domicile at the specified delivery point (dispatch) (Incoterms 2020: DDP) including packaging. Goods acceptance: Monday to Thursday 7.00 a.m. to 3.00 p.m., Friday 7.00 a.m. to 12.00 noon (time zone CET / CEST). No goods acceptance is possible outside these times (notwithstanding works closing days which will be announced in advance).

2.5. The risk of damage arising in conjunction with the dispatch, transport or other logistical measures shall only pass to ELAC following proper acceptance of the goods. Goods acceptance in this context shall be understood as the completed handover of the goods to a responsible employee in the ELAC works.

2.6. A packaging slip and a delivery note stating the ELAC article number and purchase order number shall be enclosed with all shipments. If the Contractor wishes to make partial deliveries, this shall be indicated separately without ELAC being obliged to allow the partial fulfilment.

3. Delivery periods, delivery dates

3.1. The delivery periods or delivery dates stated in purchase orders are binding and are understood to be the date of arrival at the place of receipt.

3.2. ELAC shall be entitled to refuse acceptance of goods that are not delivered on the delivery date specified in the purchase order and to return them or have them stored by third parties at the expense and risk of the Contractor.

3.3. If ELAC is prevented from accepting deliveries due to force majeure and other circumstances that would not have been prevented even had ELAC exercised reasonable care (e.g. interruption of operations, strike, lockout), then the acceptance data shall be postponed by the duration of the hindrance. If the acceptance is not possible for more than 6 months due to the above-mentioned circumstances, ELAC shall be entitled to withdraw from the contract without any claims being made against ELAC.

3.4 The acceptance of delayed deliveries and services does not constitute a waiver of claims for compensation.

3.5. ELAC may claim a contractual penalty of 0.25% per calendar day, up to a maximum of 5% of the order value, in the event of culpable delays on the part of the Contractor. In the event of a delay in delivery, the claim to a contractual penalty shall remain valid even if it is not expressly asserted at the time of acceptance. ELAC shall declare the retention of the contractual penalty to the contractor at the latest before payment of the final invoice.
A possible contractual penalty shall not prejudice statutory claims; the contractual penalty can be claimed parallel to the statutory claims.

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4. Force majeure

In the event of force majeure such as natural disasters, unrest as well as transport disruptions, strikes, lockouts or other unforeseeable, exceptional circumstances beyond ELAC's control which make it considerably more difficult or impossible for ELAC to fulfil its contractual obligations, ELAC may withdraw from the contract in whole or in part, or demand performance at a later date without the Contractor being entitled to any claims against ELAC. If the order is unreasonable for the Contractor in these cases, he may in turn withdraw from the contract.

5. Prices and terms of payment

5.1. Agreed prices are maximum prices with a drop clause; price decreases in the period between the purchase order and payment of the invoice shall be to the benefit of ELAC. The price submitted with the quotation shall also include the price for any additional deliveries made, but not ordered by ELAC. ELAC will not accept corresponding additional claims for additional deliveries, in particular corresponding invoices, which will consequently not be paid. An express rejection of such an additional claim and/or invoice is not required. The agreed price shall also include all costs incurred by the Contractor for the procurement of any tools or other equipment required for the performance of the order and for its maintenance. Such service and maintenance measures shall be carried out by the Contractor.

5.2. Invoices shall be submitted immediately after despatch of the goods, stating the article number and purchase order number. The value-added tax shall be shown separately. Incorrect invoices shall be deemed not to have been issued.

5.3. Terms of payment: 14 days after complete delivery and receipt of the invoice with 3% discount or 60 days net, unless otherwise agreed. The means of payment shall be at the discretion of ELAC. In the event of defective or incomplete delivery, the discount period shall be extended until the defect has been remedied, provided that the Contractor has been notified of the complaint. The discount period begins at the earliest on the day of the agreed delivery.

5.4. Payment shall be made subject to proper delivery with correct prices and calculation. If a defect subject to warranty is detected, ELAC shall be entitled to withhold payment until the warranty obligation has been fulfilled.

5.5. Missing documents or documents not delivered on time shall extend the due date for payment accordingly.

5.6. Invoices are to be sent in PDF form and exclusively to invoice@elac-sonar.de.

6. Offsetting

The Contractor shall only be entitled to offset claims against undisputed or legally established claims.

7. Assignment

The assignment of claims against ELAC shall only be permitted with the prior written consent of ELAC.

8. Quality and acceptance

8.1. The Contractor warrants that the goods comply with submitted specifications, existing standards, the state of the art and other information provided, and that they have the agreed quality and other properties, in particular that the delivery goods are fully functional.

8.2. Changes to the agreed but not yet delivered goods in the model, in the design, in the type of composition of the processed material, in the constructive design, changes to the production process or the production location of the goods must be communicated to ELAC in text form prior to the respective change. The implementation of a change requires the prior consent of ELAC in written form.

8.3. During the delivery inspection, the Contractor shall carry out a quality control that is appropriate in type and scope and corresponds to the state of the art. If a delivery inspection by random sampling according to an agreed AQL value is prescribed in the purchase order, the Contractor shall proceed according to sampling plans whose OC lines run below the AQL value.

8.4. ELAC reserves the right to inspect the goods immediately on receipt for obvious and visible defects and only then to accept the goods. The inspection can be carried out as described in point 8.2. If, however, it is found that the maximum permissible number of defects according to the inspection procedure has been exceeded, ELAC may, after consultation with the Contractor, inspect all the goods at the Contractor's expense and risk and demand replacement of the actually defective parts. At the discretion of ELAC, the rejected parts will be made available for collection by the Contractor or returned at the Contractor's expense. In the event of a complaint, the Contractor may be charged with the costs of the inspection and the replacement delivery. During the warranty period, the Contractor shall waive the right to object to claim late delayed notification of hidden defects. The unconditional payment of an invoice does not constitute acceptance of the goods to which the invoice relates.

8.5. For dimensions, weights and quantities of a delivery, the values determined by ELAC during the incoming goods inspection shall be binding. At the request of ELAC, a quality inspection shall be carried out by ELAC representatives in the Contractor's works.

8.6. Machines and equipment to be delivered must in particular comply with the accident prevention regulations of the employers' liability insurance association, the VDE regulations, industrial safety law, environmental protection regulations and police regulations.

8.7. Any workshop test certificates, quality certificates, acceptance certificates, etc. required by ELAC shall be made available to ELAC at the time of delivery.

8.8. If suspicious/counterfeit items are delivered within the scope of this purchase order or are discovered among the delivered goods, these goods will be retained by ELAC. The matter will be reported to the competent authorities and the suspicious/counterfeit goods will be handed over to them. The Contractor shall immediately replace such suspicious/counterfeit parts with parts acceptable to ELAC, and the Contractor shall be liable for all costs incurred in removing and replacing said parts. ELAC reserves all legal and contractual rights to the remedy of all defects and to the settlement of all damages caused by the delivery of such suspicious/ counterfeit parts.

9. Warranty and liability

9.1. The Contractor's duty of warranty and guarantee shall be based on the statutory provisions, unless otherwise stated below.

9.2. The Contractor shall indemnify ELAC on first request for all claims by third parties raised on the grounds of defects, violation of third party property rights or product damage in the ELAC delivery due to ELAC's share of the responsibility.

9.3. The Contractor must ensure that sufficient (product liability) insurance cover is taken out for his supplies and services. In the event of insufficient insurance cover, he shall be obliged to increase his insurance cover at his own expense. Proof of existing insurance cover shall be furnished to ELAC on request.

9.4. ELAC shall be entitled to all legal claims for defects; in particular, ELAC shall be entitled to demand that the Contractor remedies all defects or delivers new goods.

9.5. ELAC may optionally assert the statutory claims for damages. In accordance with the specifications in the purchase order, the Contractor shall remain obliged to fully satisfy ELAC even in the event of any delivery deviations in delivery that are customary in the trade. Within the scope of the warranty, the Contractor shall, at his own expense, carry out a detailed fault analysis on his product, if necessary in combination with technical components from ELAC, and to submit a detailed analysis report to ELAC without culpable delay.

9.6. In urgent cases, ELAC shall – after prior consultation with the Contractor – be entitled to remedy the defects at the expense of the Contractor. The same shall apply if the Contractor is in default with the fulfilment of his warranty obligations.

9.7 If, according to the statistical inspection procedure specified in the purchase order, the maximum permissible defect rate is exceeded, ELAC shall be entitled to make claims for defects with regard to the entire delivery or, after prior consultation with the

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Contractor, to inspect the entire delivery at the expense of the Contractor.

9.8. The Contractor shall be liable for replacement deliveries and repair work to the same extent as for the original delivery, i.e. also for transport, travel, labour and material costs. The warranty period for replacement deliveries begins on the date of arrival of the replacement delivery at ELAC's works.

9.9. The return of rejected goods shall be subject to retention of title in favour of ELAC if ELAC has performed services. The amount of this lien shall be limited to the share of the value of services already rendered and costs incurred if this does not prevent the creation of this lien.

9.10. In the event of repeated delivery of defective goods, ELAC shall be entitled to claim the damage incurred and to withdraw from the contract, in the case of instalment or successive delivery contracts, to immediately terminate the contract. At ELAC's discretion, manufacturing means, in particular tools, shall be surrendered to ELAC or the tool costs paid by ELAC but not yet amortised shall be refunded.

9.11. The Contractor shall be obliged to reimburse reasonable costs for a recall campaign based on product liability law. Notification for comment shall be sent to the Contractor by ELAC as quickly as possible.

9.12. In all other respects, the mutual liability of ELAC and the Contractor shall be governed by the relevant statutory provisions.

10. Warranty obligation

The Contractor shall be responsible for the deliveries and services of his suppliers as for his own deliveries and services.

11. "Most favoured" clause

The Contractor shall first inform ELAC about the most favourable conditions under which he will provide services, provided that the type and scope of the services are comparable with the existing or intended contractual relationship or delivery. The Parties shall then negotiate correspondingly adapted delivery terms and prices for the future.

12. Title to hardware, information and data

Drawings, drafts, samples, manufacturing instructions, internal company data, tools, equipment, etc. which ELAC has provided to the Contractor for the purpose of submitting a quotation or for carrying out an order shall remain the property of ELAC and may not be used for other purposes, duplicated or made available to third parties, and must be stored with the due care of a prudent businessman. This shall also apply to tools to be procured in accordance with clause 5.1. The Contractor becomes an agent in possession.

13. Property rights and third-party industrial property rights

13.1. The Contractor warrants that third-party rights do not conflict with the intended use, in particular that third-party property rights are not infringed. Should ELAC nevertheless be held liable for a possible violation of third-party rights, such as copyright, patent and other industrial property rights, the Contractor shall indemnify ELAC for this and for all related services.

13.2. ELAC reserves the property rights and copyrights to its own documents on which the purchase order is based. They shall be used exclusively for production based on the purchase order and shall be returned immediately afterwards. Clause 14 of these Purchasing Conditions applies analogously.

13.3. The Contractor grants ELAC all rights to the subject of the contract in terms of time, space and objects, unconditionally, without restriction and for an unlimited period of time. This includes in particular the title and copyright to the concrete contractual object. Any possible reservation of title to the goods to be delivered and associated rights in favour of the Contractor shall expire upon complete mutual fulfilment of the contract. ELAC is entitled to assign and sub-assign or sub-license the rights. The granting of comprehensive rights forms part of the contract between the Contractor and ELAC and is included in the consideration to be paid by ELAC.

14. Export control regulations and customs

14.1. The Contractor warrants that the use of his products does not violate export control regulations, in particular those of the USA. The Contractor shall notify ELAC without delay and in writing of any concerns and shall inform ELAC whether components to be supplied are on the United States Munitions List and are subject to EAR and/or ITAR regulations. The Contractor shall be responsible for obtaining any necessary permits. The Contractor shall provide ELAC with a copy of the permits obtained, in particular of a US export license, free of charge.

14.2. If the Contractor violates his obligations according to clause 14.1, he shall bear all expenses and damages as well as any other disadvantages (e.g. additional claims for foreign import duties, fines) incurred by ELAC as a result. This shall not apply if the Contractor is not responsible for the violation of the obligations.

14.3. Goods for which an export licence from the German Federal Office of Economics and Export Control and/or a re-export licence from the American authorities is required must be marked accordingly by the Contractor in the delivery documents and invoices.

15. Confidentiality

15.1. The Contractor is obliged to treat the purchase order and all related commercial and technical details as a business secret and to handle it confidentially. He shall also impose a corresponding obligation on his subcontractors.

15.2. The Contractor may refer to his business relationship with ELAC in his advertising only with ELAC's prior written consent.

15.3. These Purchasing Conditions shall not prejudice any rights and obligations undertaken through a previously signed non-disclosure agreement (NDA).

15.4. If the Contractor culpably violates the confidentiality obligation, the Contractor shall be liable to pay damages to ELAC. The amount depends on the contract volume and is 20% of the contractually agreed purchase price (gross), but not less than EUR 50,000.00 Euro (in words: fifty thousand euros).

15.5. The same shall apply to violations culpably caused by a subcontractor commissioned or similarly mandated by the Contractor. Upon complete fulfilment of the claim for damages by the Contractor, ELAC undertakes to assign all claims against the subcontractor to which ELAC is entitled to the Contractor.

16. Data protection

The Contractor declares his revocable consent that any personal data provided may be processed by ELAC, by ELAC's affiliated companies or by companies commissioned by ELAC in accordance with the statutory provisions. The address of the respective recipients can be provided on request.

17. REACH, CLP, RoHS, conflict resources

17.1. The Contractor must also ensure under his own responsibility that the goods comply with the provisions of Regulation (EC) No. 1907/2006 ("REACH Regulation") concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals in its latest wording. In particular, the substances contained in the goods have been registered or pre-registered to the extent required under the provisions of the REACH regulation. The Contractor shall provide ELAC with safety data sheets and further necessary information in accordance with the provisions of the REACH regulation unprompted. In particular, restrictions and/or bans on substances or uses and any contents of substances on the candidate list (SVHC) must be observed and communicated.

17.2. Chemical raw materials must be classified, labelled and packaged in accordance with Regulation (EC) No. 1272/2008 ("CLP Regulation").

17.3. The Contractor shall furthermore be responsible for ensuring that the goods or parts thereof to be supplied comply unconditionally with the requirements of Directive 2011/65/EU ("RoHS") in the currently applicable version, as well as with the national regulations issued within the European Union in implementation of this Directive, and are suitable for RoHS-compliant production processes.

17.4. The Contractor shall ensure that he does not supply any materials or products containing tin, tantalum, tungsten or gold

that have been extracted from conflict mines in the Democratic Republic of Congo and its neighbouring countries.

18. Public orders

Special supplementary conditions apply to deliveries within the framework of public orders.

19. Non-discriminatory performance / conformity with ethical principles

The Contractor shall provide his services without discrimination within the meaning of the General Equal Treatment Act and in accordance with ELAC's ethical principles that can be made available to the Contractor at any time, or in accordance with equivalent principles of the Contractor.

20. Offset credits and support

The contractual relationship as established by the purchase order and its acceptance under the Purchasing Conditions was established solely to support the international obligations entered into by ELAC in the context of offset transactions. All offset credits resulting from this contractual relationship shall be the sole property of ELAC and can be used by ELAC to settle offset liabilities at its discretion. The Contractor undertakes to support ELAC in an appropriate manner in securing and crediting offset credits vis à vis the responsible offset authority in the Contractor's country.

21. Minimum Wage Act

21.1. The Contractor warrants compliance with the provisions of the German law governing the general minimum wage (Minimum Wage Act) in the execution of ELAC's purchase orders.

21.2. The Contractor further warrants that similar obligations are imposed on subcontractors and labour hire companies (temporary employment agencies within the meaning of the German Law on the Provision of Temporary Workers).

21.3. The Contractor shall provide evidence to ELAC of compliance with clauses 21.1 and 21.2 above, but at the request of ELAC.

21.4. The Contractor undertakes to indemnify ELAC for all claims by third parties, in particular claims by social security institutions, tax authorities, regulatory or criminal prosecution authorities, but also by its own employees, possible subcontractors or claims by employees of the subcontractor or of a mandated temporary employment agency arising out of or in conjunction with the provisions of the law governing the general minimum wage (Minimum Wage Act) resulting from the execution of orders for ELAC by the Contractor.

21.5. In the event that ELAC is called upon to make payments in accordance with § 13 German Minimum Wage Act (MiLoG), ELAC shall have the right to terminate the contract without notice. This does not prejudice the obligation to exempt ELAC from the payments to be made in accordance with § 13 MiLoG.

22 Compliance with laws and guidelines to combat slavery and human trafficking

22.1 In performing its obligations under the Contract, the Contractor shall:

22.1.1 not engage in any activity, practice or conduct that would directly or indirectly constitute or encourage any form of slavery, forced labour, debt bondage or human trafficking ("slavery") and take all necessary precautions to ensure that none of its Suppliers engage in any activity, practice or conduct that would directly or indirectly constitute or encourage any form of slavery;

22.1.2 comply with all applicable anti-slavery and anti-trafficking laws, rules, regulations and binding codes.

23. Duty of disclosure

23.1. The Contractor warrants that, at the time of acceptance of this Purchase Order, it has not filed an application for the opening of insolvency proceedings and that there is no risk of such proceedings being initiated. Furthermore the Contractor warrants that there is no risk of insolvency or over-indebtedness and that the Contractor has neither definitely nor temporarily suspended payments nor entered into negotiations for an out-of-court settlement to avert reasons for insolvency. The Contractor shall further inform ELAC about the occurrence of any changes to the information provided in accordance with this Article.

23.2. The Contractor shall be obliged to notify ELAC immediately of any change in the name of his company.

23.3. The Contractor shall be obliged to notify ELAC of any material change in its corporate structure affecting the suitability of the Contractor three months before the planned implementation – if this is not possible without reasonable delay, this shall include in particular:
(a) mergers, spin-offs, outsourcing and other cases of corporate restructuring under company law;
(b) significant changes in the shareholder structure (directly or indirectly) such that shares in the Contractor or its (directly or indirectly) controlled companies are transferred to third parties who did not hold shares in the Contractor or its (directly or indirectly) controlled companies at the time of the acceptance of this Purchase Order;
(c) other changes in relationships of ownership and control of a direct or indirect nature, in particular transfer of voting rights;
(d) changes in legal form as well as
(e) the transfer of individual contracts or business areas, insofar as this contract is affected thereby;

24. Compliance with Relevant Requirements

24.1 The Contractor shall:

a) comply with all applicable laws, statutes, regulations, policies and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 (**Relevant Requirements**);

b) not engage in any activity, practice or conduct which would constitute an offence under sections 1,2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;

c) comply with the Cohort Groups Anti-Bribery and Anti-Corruption Policies (cohortplc.com – **Relevant Policies**);

d) establish, maintain and enforce its own policies and procedures, including but not limited to adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, the Relevant Policies and clause 24.1 (b);

e) immediately notify the Client (in writing) if it becomes aware of any breach of clause 24.1 (a) or clause 24.1. (b) or has reason to believe that it has received a request or demand for any undue financial or other advantage in connection with the performance of this agreement;

f) immediately notify the Client (in writing) if an national or foreign public official becomes an officer or employee of the Contractor or acquires a direct indirect interest in the Contractor and the Contractor warrants that it has no national or foreign public officials as direct or indirect owners, officers or employees at the date of an agreement with the Client; and

g) within two months of the date of an agreement, and annually thereafter certify to the Client in writing signed by an officer of the Contractor, compliance with this clause 24.1 by the Contractor and all persons referred to in clause 24.2. The Contractor shall provide such supporting evidence of compliance as the Client may reasonably request.

24.2 The Contractor shall ensure that any of its agents, consultants, contractors, subcontractors or other persons engaged in performance of the Contractors obligations under an agreement with the Client do so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Contractor in this paragraph 24 (Relevant Terms). The Contractor shall be responsible for the observance and performance by such persons of the Relevant Terms and shall be directly liable to the Client for any breach by such persons of any of the Relevant Terms.

24.3 Breach of this paragraph 24 shall deemed a material breach.

24.4 For the purpose of this paragraph 24 the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7 (2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6 (5) and 6 (6) of that Act and section 8 of that Act respectively and, for the avoidance of doubt, a person associated with the Contractor includes but is not limited to any subcontractors of the Contractor.

25. Final provisions

25.1. The purchase order and delivery shall be exclusively subject to the law of the Federal Republic of Germany. The application of international sales law (CISG / UNCITRAL) is excluded. Sole place of jurisdiction for merchants with regard to all disputes arising out of or in conjunction with this Contract shall be Kiel/Schleswig-Holstein, Germany.

25.2. Place of performance for deliveries and services shall be the place of delivery specified in the purchase order.

25.3. Should any provision of the contract or of these Purchasing Conditions be or become invalid, this shall not affect the validity of the remaining provisions.

25.4. The German version of these Purchasing Conditions shall be authoritative.

26. Issue of Purchasing Conditions:

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