

General Commercial Conditions of Purchase

1. Order and Confirmation

(1) Innomotics may cancel the order if Supplier has not confirmed acceptance of the order (confirmation) in writing within two weeks of receipt. In such case, the order shall lose its validity.

(2) If the confirmation varies from the order, the following shall apply:

- If Innomotics does not agree to such varied confirmation, the order of Innomotics and the varied confirmation of Supplier shall lose their validity.
- If Innomotics agrees to such varied confirmation in writing, the order of Innomotics shall be deemed to be varied according to the varied confirmation of Supplier, and the varied confirmation of Supplier shall be effective.

2. Rights of Use for Software

Supplier hereby grants Innomotics the non-exclusive, transferable, perpetual and worldwide right to use (including copying, sublicense and transfer), or allow others to use, software and firmware items for the purposes contemplated in the order documents, contract sheet or main contract (together with these General Commercial Conditions of Purchase the "Contract").

3. Delivery

(1) For the purposes of calculating the timeliness of delivery or performance, the relevant point in time is the date of receipt by Innomotics at the designated place of receipt, and for the determining of the timeliness of deliveries with installation or commissioning as well as services, the relevant point in time shall be that of acceptance.

(2) If a delay in the delivery of supplies or provision of services is expected, Supplier shall immediately inform Innomotics.

(3) In the event that the delivery or performance of supplies or services is not met by Supplier for reasons other than force majeure Supplier shall pay 0.25% of the relevant purchase order price as liquidated damages for each day of delay, but the aggregate amount of liquidated damages shall not exceed the total amount of relevant purchase order price.

(4) Even if Innomotics does not reserve any other rights at the time of acceptance of the delivery, services or performance, it shall not be construed as a waiver of the above liquidated damages, of any damage or warranty claims, or any other contractual or statutory right.

(5) In the case Innomotics claims its actual damages this claim shall be reduced by the amount of the paid liquidated damages.

4. Transfer of Risk and Shipment

(1) The risk of supplies only shall be transferred to Innomotics at the time supplies are received at the point of destination specified by Innomotics according to Section 3. The risk of supplies with installation or commissioning for the services shall be transferred to Innomotics at the time supplies and services successfully pass the acceptance test.

(2) Unless otherwise agreed, the costs for delivery and packaging shall be borne by Supplier. For pricing ex works or ex warehouse of Supplier, transport shall be at the lowest cost insofar as Innomotics has not requested a particular method of delivery. Any extra costs resulting from non-conformity with

transport requirements shall be borne by Supplier. Where the price is quoted free to recipient, Innomotics may also determine the method of transportation. Any extra costs resulting from the need to meet the delivery deadline by way of expedited delivery shall be borne by Supplier.

(3) Each delivery shall include a packing note or delivery note with details of the contents as well as a complete order number. Notice of dispatch shall be provided immediately with the same information.

(4) Unless otherwise specified in the relevant order or by other written instruction of Innomotics, Supplier shall package products in accordance with standard commercial practices for such types of goods.

5. Invoices

Invoices shall indicate the order reference and the numbers of every single item and service. An invoice shall not be payable until this information for the relevant delivery or service is complete.

6. Payment

(1) Unless otherwise agreed, payment of any undisputed and correct invoice shall be made within 60 days from the date of issuing the invoice via wire transfer.

(2) The period for payment shall commence as soon as any delivery or service is completed and the appropriate invoice is received. Insofar as Supplier is required to provide material testing, test records or quality control documents or any other documentation, such shall be a part of the requirements of the completeness of the delivery or performance. A discount shall also be allowed if Innomotics sets off or withholds any payments to a reasonable extent for reasons of any defect. The period for payment shall commence after the complete rectification of any defect.

(3) The effecting of payments shall not imply acceptance of supplies or services as meeting contractual requirements.

7. Inspection upon Receipt

(1) Innomotics shall issue a goods receipt upon receipt regardless of the completion of inspection.

(2) Innomotics shall without undue delay upon receipt of any delivery check that the required quantities and types or specifications are correct and further shall check for any externally recognizable transportation damage or other defects.

(3) In case Supplier requests for inspection, Innomotics shall notify Supplier in writing of the result of the inspection within 10 days from the request if there is no justifiable reason for delay. The delivered items shall be deemed as passed inspection if Innomotics does not notify the result within the aforementioned period without justifiable reason.

8. Warranty

(1) Supplier warrants that supplies and services are free from defects as to quality and title for a period of three years unless the law requires a longer period. Such warranty period shall commence with the transfer of risk (Section 4). In cases of delivery to places at which Supplier is completing performance outside of its premises or workshops, the warranty period shall commence with the acceptance by Innomotics, but in no case later than one year after the transfer of risk.

(2) In the event a defect is detected before or at the time of

transfer of risk or during the period named in Section 8(1) above, Supplier shall at its own cost and at the discretion of Innomotics either rectify the defect or provide substitute delivery or performance. This shall also apply to any deliveries subject to inspection by sample tests.

(3) In the event that Supplier fails to rectify any defect within a reasonable time period set by Innomotics, Innomotics may cancel the Contract in whole or in part without being subject to any liability for damages or demand a reduction of price or undertake itself any rectification or substitute performance at the cost of Supplier or arrange for such to be done and claim damages in lieu of performance.

(4) Any rectification undertaken by Innomotics may take place without a further deadline being set and at the cost of Supplier if such rectification will be completed after the original deadline. For the avoidance of doubt, Supplier shall continue to be liable for any losses, damages, penalties or other remedy for delay past the original delivery time schedule.

(5) The same shall apply if Innomotics has a particularly strong interest in immediate rectification in order to avoid its own liability for delay or for other reasons of urgency.

(6) The above named claims shall extinguish one year after notification of any defect but in no case before the expiry of the time limitations named in Section 8(1).

(7) Additional or statutory rights available to Innomotics are not affected hereby.

(8) Insofar as Supplier provides substitute performance or repairs, the periods named in Section 8(1) shall start to commence once again with respect to the relevant substitute performance or repairs.

(9) The above provisions shall apply accordingly with respect to services required in the correction of defects.

(10) Supplier shall bear the costs and the risk related to the return of deficient goods.

9. Suspension

Innomotics shall have the right to ask, in writing, Supplier to suspend the performance of part or all of the work. During the suspension, Supplier shall protect, safely keep and ensure each part or all of the work away from any damage or loss and shall not continue the operation without approval of Innomotics. Supplier can get reimbursement of all reasonable costs incurred due to the suspension.

10. Termination

In case any of the following events occur to either party hereto, the other party may terminate the Contract partially or entirely in writing with immediate effect:

- (1) Commencement of bankruptcy, reorganization or any similar insolvency proceedings;
- (2) Dishonor payment of any notes or checks;
- (3) Difficulty of maintaining or upholding any materials obligations under the Contract due to financial difficulties; and
- (4) Breach of any material provisions of the Contract which have not been cured within 7 days from notice of such breach by the non-breaching party to the breaching party.

11. Infringement of Industrial and Intellectual Property Rights

Supplier guarantees that Innomotics, its customers or other related parties shall not be prevented from using any industri-

al property rights, including intellectual property rights, for the purposes contemplated in this Contract.

Without limiting the generality of the foregoing, Supplier shall indemnify and hold harmless Innomotics and Innomotics' customers or other related parties from and against any third party claim, suit or action brought against Innomotics and Innomotics' customers or other related parties and related expenses (including reasonable attorneys' fees) to the extent such claim results from or relates to any breach by Supplier of the foregoing guarantee against infringement.

12. Assignment and Subcontracting to Third Parties

Assignment of any rights or obligations of the Contract (including assignment of the Contract entirely) and Subcontracting to third parties (including all consulting related) shall not be permissible without Innomotics' prior written approval and shall entitle Innomotics to terminate from all or part of the Contract and to claim damages.

13. Liability

(1) Supplier agrees to defend against and indemnify and hold Innomotics harmless from product liability claims, losses, damages or expenses (including costs of defending any proceedings) resulting from the purchase, sale, storage, transportation or foreseeable use of products, whether brought under theories of express or implied warranty, negligence or strict liability, provided that Supplier shall not be responsible for such claims, losses, damages or expenses to the extent attributable to willful conduct or gross negligence of Innomotics, its employees or agents.

(2) Supplier shall not be liable if products have been intrinsically altered, modified or improperly installed, operated, used or maintained by Innomotics or Innomotics' Customers or any other party other than Supplier, unless authorized in writing by Supplier.

14. Bond

The following bonds for the Contract shall be submitted to Innomotics by Supplier within one week from the execution date of the Contract.

- Advance payment bond: 100% of the Advance Payment with the validity which is until the time of delivery of relevant portion of goods or services from the contract date (applicable only if Advance payment occurs)
- Performance bond: 10 % of the Contract amount with the validity which is until the time of delivery (Section 3) from the contract date,
- Warranty bond: 10 % of the Contract amount with the validity which is until 3 years from the transfer of risk (Section 4(1)).

15. Material in Support

(1) Any material provided by Innomotics as support remains the property of Innomotics and is to be stored, labeled and administered separately. The use of such is limited to the orders of Innomotics. In the event of any reduction in value or loss, except for ordinary wear and tear, Supplier shall provide a replacement. This shall also apply to material provided for and on Supplier's account for a specific job.

(2) Any processing or transformation of the material shall be for Innomotics. Innomotics shall be the immediate owner of the new or transformed object. Even if such is not possible for legal reasons Innomotics and Supplier agree that Innomotics shall be the owner of the new goods at all times during any processing or transformation. Supplier shall keep the new object safe for Innomotics at no extra cost and exercise due care of a merchant.

16. Tools, Patterns, Samples, Confidentiality

(1) Any tools, patterns, samples, models, profiles, drawings, standard sheets, printing templates and materials made available by Innomotics as well as any materials derived therefrom shall not be made available to any third party nor used for any other purpose than those agreed in the Contract except with the prior written consent of Innomotics. Such materials shall be protected against unauthorized access or use. In addition to any further rights Innomotics may demand that such materials be returned at any time and Supplier shall return such materials upon demand by Innomotics.

(2) The terms of this Section 16 shall survive the termination of this Contract for a period of five (5) years.

(3) Innomotics' property, such as drawings, specifications, data and the like, furnished to Supplier for performance of the Contract shall remain the property of Innomotics. Any designs, drawings, dies, molds, tooling, technical data/information, materials, equipment, etc. that Supplier makes or buys from others for producing or providing the goods/services and charged to Innomotics' account shall become Innomotics' property immediately upon manufacture or procurement.

All such Innomotics property shall be marked as property of Innomotics, shall be held by Supplier on consignment at Supplier's risk, and shall be used exclusively to perform the Contract, and shall not be duplicated or disclosed to others. Upon Contract completion, all Innomotics furnished property shall be returned to Innomotics in the same condition as received, allowing for reasonable wear and tear, except to the extent that the property has been incorporated into goods/services delivered or consumed in the performance of the Contract.

17. Confidentiality

(1) When Supplier receive information marked as "confidential" or marked in a similar manner or obviously confidential by its nature ("Confidential Information") from Innomotics, Supplier shall use such information only for the purpose for which it has been provided, and shall prevent third Parties from gaining access to it, and treat it the same way as its own business secrets (but at least with reasonable care).

(2) This confidentiality obligation does not apply to information which:

- a. Which is generally known;
- b. Which can be shown to have been independently developed by Supplier;
- c. Which was in the Supplier's possession without an obligation to confidentiality prior to receipt from Innomotics;
- d. Which has been obtained from a third Party without non-disclosure obligation to Innomotics;
- e. Which Supplier is required to reveal by statutory regulations or governmental or court orders.

(3) This confidentiality obligation shall survive the termination of this Contract for a period of five (5) years.

18. Legal Relationship

Supplier's relationship with Innomotics shall be that of an independent contractor. Supplier shall not be deemed to be an employee, legal representative, agent, partner or joint venturer of Innomotics for any purpose whatsoever. Supplier has no right or authority to assume or create any obligations of any kind or makes any representations or warranties, whether express or implied, on behalf of Innomotics, or to bind Innomotics in any respect whatsoever.

19. Export Control and Foreign Trade Data Regulations

(1) Supplier shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regu-

lations") in relation to all services to be provided and/or all products to be delivered according to this Contract. Supplier shall obtain all necessary export licenses pursuant to the applicable Foreign Trade Regulations.

(2) Supplier shall advise Innomotics in writing as early as possible but not later than two weeks prior to the delivery date of any information and data required by Innomotics to comply with all Foreign Trade Regulations for the products and services applicable in the countries of export and import as well as re-export in case of resale. In any case Supplier shall provide to Innomotics for each product and services:

- the "Export Control Classification Number" according to the U.S. Commerce Control List (ECCN) if the product/service is subject to the U.S. Export Administration Regulations; and
- all applicable export list numbers; and
- the statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding; and
- the country of origin (non-preferential origin), and, upon request of Innomotics, documents to prove the non-preferential origin; and
- the preferential country of origin, and, upon request of Innomotics, documents pursuant to the requirements of the applicable preferential law to prove the preferential origin (e.g. Supplier's declaration)

(3) In case of any alterations to origin and/or characteristics of the products and services and/or to the applicable Foreign Trade Regulations Supplier shall update the Export Control and Foreign Trade Data as early as possible but not later than two weeks prior to the delivery date. Supplier shall be liable for any expenses and/or damage incurred by Innomotics due to any breach of the obligations according to this Section.

20. Reservation Clause

Innomotics shall not be obligated to fulfill this Contract if such fulfillment is prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.

21. Corporate Responsibility in the Supply Chain

(1) Supplier shall comply with the principles and requirements of the "Code of Conduct for Innomotics Suppliers and Third Party Intermediaries" attached hereto as Annex (hereinafter referred to as the "Code of Conduct").

(2) If requested by Innomotics, Supplier shall not more than once a year either – at its option – provide Innomotics with (i) a written self-assessment in the form provided by Innomotics, or (ii) a written report approved by Innomotics describing the actions taken or to be taken by Supplier to assure compliance with the Code of Conduct.

(3) Innomotics and its authorized agents and representatives and/or a third party appointed by Innomotics and reasonably acceptable to Supplier, shall be entitled (but not obliged) to conduct – also at Supplier's premises – inspections in order to verify Supplier's compliance with the Code of Conduct.

Any inspection may only be conducted upon prior written notice of Innomotics, during regular business hours, in accordance with the applicable data protection law and shall neither unreasonably interfere with Supplier's business activities nor violate any of Supplier's confidentiality agreements with third parties. Supplier shall reasonably cooperate in any inspections conducted. Each party shall bear its expenses in con-

nection with such inspection.

(4) In addition to any other rights and remedies Innomotics may have, in the event of (i) Supplier's material or repeated failure to comply with the Code of Conduct or (ii) Supplier's denial of Innomotics's right of inspection as provided for in Section 20 (3), after providing Supplier reasonable notice and a reasonable opportunity to remedy, Innomotics may terminate the Contract and/or any purchase order issued hereunder without any liability whatsoever.

Material failures include, but are not limited to, incidents of child labor, corruption and bribery, and failure to comply with the Code of Conduct's environmental protection requirements. The notice and opportunity to remedy provision shall not apply to violations of requirements and principles regarding the child labor as set out in the Code of Conduct or willful failures to comply with the Code of Conduct's environmental protection requirements.

22. Cybersecurity

(1) Should products or services contain software, firmware, or chipsets:

- a. Supplier shall implement appropriate standards, processes and methods to prevent, identify, evaluate and repair any vulnerabilities, malicious code, and security incidents in products and services which shall be consistent with good industry practice and standards such as ISO/IEC 27001 or IEC 62443 (to the extent applicable);
- b. Supplier shall continue to support and provide services to repair, update, upgrade and maintain products and services including the provision of patches to Innomotics remedying vulnerabilities for the reasonable lifetime of the products and services;
- c. Supplier shall provide to Innomotics a bill of materials identifying all third-party software components contained in the products. Third-party software shall be up-to-date at the time of delivery to Innomotics;
- d. Supplier shall grant to Innomotics the right, but Innomotics shall not be obliged, to test or have tested products for malicious code and vulnerabilities at any time, and shall adequately support Innomotics;
- e. Supplier shall provide Innomotics a contact for all information security related issues (available during business hours).

(2) Supplier shall promptly report to Innomotics all relevant information security incidents occurred or suspected and vulnerabilities discovered in any service and product, if and to the extent Innomotics is or is likely to be materially affected.

(3) Supplier shall take appropriate measures to achieve that its subcontractors and suppliers shall, within a reasonable

time, be bound by obligations similar to the provisions of this section.

(4) Upon Innomotics' request, Supplier shall provide written evidence of its compliance with this section including generally accepted audit reports.

23. Miscellaneous

(1) The Contract shall be interpreted in accordance with and governed under the laws of the Republic of Korea. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) shall be excluded. All disputes in connection with the Contract or the execution thereof shall be settled through friendly negotiations. In case no settlement can be reached, the Seoul Western District Court shall be the competent court.

(2) If any provision of the Contract should be found invalid or unlawful by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity or lawfulness of any other provisions in the Contract. The parties shall amicably attempt to agree on new provisions of equal economic effect to replace the invalid or unlawful provisions.

(3) The Contract constitutes the sole agreement between the Parties concerning the subject matter hereof and supercedes all prior agreements and understandings between the parties and is intended by the parties as the complete and exclusive statement of the terms of agreement. Therefore, the parties are entitled only to such rights and to make such claims which are expressly provided for in the Contract. Further, the parties shall not be bound by any representation, affirmation of fact, course of prior dealings, promise or condition in connection therewith or usage of the trade not incorporated in the Contract.

(4) Any amendments to the Contract are only valid and effective if agreed upon in a signed writing by both parties.

(5) Failure by either party at any time to require the other party's performance of any obligation under the Contract shall not affect its right to require performance of the obligation. Any waiver of any breach of any provision of the Contract shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver or modification of the provision itself, or a waiver or modification of any right under the Contract. No waiver shall be binding unless executed in writing by the party making the waiver.

(6) The Contract shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns but shall not be assigned, transferred, or set over in whole or in part by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

(7) This Contract is executed in English and in Korean. In case of any discrepancies or conflicts between the two versions, the Korean version shall prevail.

Annex

Code of Conduct for Innomotics Suppliers and Third Party Intermediaries

This Code of Conduct defines the basic requirements placed on Innomotics' suppliers and third party intermediaries con-

cerning their responsibilities towards their stakeholders and the environment. Innomotics reserves the right to reasonably

change the requirements of this Code of Conduct due to changes of the Innomotics Compliance program. In such event Innomotics expects the supplier to accept such reasonable changes.

The supplier and/or third party intermediary declares herewith:

▪ **Legal compliance**

- to comply with the laws of the applicable legal system(s).

▪ **Prohibition of corruption and bribery**

- to tolerate no form of and not to engage directly or indirectly in any form of corruption or bribery and not to grant, offer or promise anything of value to a government official or to a counterparty in the private sector to influence official action or obtain an improper advantage.

▪ **Fair competition, anti-trust laws and intellectual property rights**

- to act in accordance with national and international competition laws and not to participate in price fixing, market or customer allocation, market sharing or bid rigging with competitors;
- to respect the intellectual property rights of others.

▪ **Conflicts of interest**

- to avoid all conflicts of interest that may adversely influence business relationships.

▪ **Respect for the basic human rights of employees**

- to promote equal opportunities for and treatment of its employees irrespective of skin color, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, sex or age;
- to respect the personal dignity, privacy and rights of each individual;
- to refuse to employ or make anyone work against his will;
- to refuse to tolerate any unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination;
- to prohibit behavior including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative;
- to provide fair remuneration and to guarantee the applicable national statutory minimum wage;
- to comply with the maximum number of working hours laid down in the applicable laws;
- to recognize, as far as legally possible, the right of free association of employees and to neither favor nor discriminate against members of employee organizations or trade unions.

▪ **Prohibition of child labor**

- to employ no workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, to employ no workers under the age of 14.

▪ **Health and Safety of employees**

- to take responsibility for the health and safety of its employees;

- to control hazards and take the best reasonably possible precautionary measures against accidents and occupational diseases;
- to provide training and ensure that employees are educated in health and safety issues;
- to set up or use a reasonable occupational health & safety management system.*)

▪ **Environmental protection**

- to act in accordance with the applicable statutory and international standards regarding environmental protection;
- to minimize environmental pollution and make continuous improvements in environmental protection;
- to set up or use a reasonable environmental management system.*)

▪ **Supply Chain**

- to Use reasonable efforts to make its suppliers, subcontractors and their supply chain comply with the principles of this Code of Conduct and check their compliance on a risk-based approach;
- to comply with the principles of non discrimination with regard to supplier selection and treatment.

▪ **Conflict Minerals**

- To take reasonable efforts to avoid in its products the use of raw materials which directly or indirectly finance armed groups who violate human rights

*) For further information see

www.innomotics.com/procurement/cr/code-of-conduct.