

1. Scope of the Purchase Terms and Conditions

- 1.1 These terms and conditions of purchase ("Conditions") of Tristone Flowtech Holding S.A.S. as well as of all Tristone companies affiliated thereto within the meaning of sec. 15 German Stock Corporation Act (§ 15 AktG) ("Buyer") shall exclusively apply to all of Buyer's purchases of parts, materials, components and other product materials (e.g. raw materials) ("Goods") and the related performance by Supplier and the Supplier's procurement of any other services ("Services") by means of any purchase orders issued by Buyer; Buyer does not accept and shall not be bound by Supplier's terms and conditions unless their application has been agreed expressly in writing by Buyer in advance. The Conditions shall also apply in all cases in which Buyer accepts Supplier's delivery without objecting to the conflicting or deviating terms and conditions of the Supplier (whether or not Buyer is aware of them). Supplier accepts the Conditions by the delivery of its Goods to Buyer. These Conditions also apply for all future transactions with Supplier.
- 1.2 These Conditions shall apply equally to the purchase of Goods as production material (for the purposes of Buyer's own serial production), as spare parts or as machines, tools and other products unless the applicability of any of the following provisions of these Conditions is expressly limited to individual or specific kinds of Goods.
- 1.3 Amendments to the Conditions shall require the written consent of Buyer and Supplier.

2. Quotation

- 2.1 Supplier's quotations are only binding if they are made in writing.
- 2.2 Quotations by Supplier shall always be free of charge for Buyer; any cost incurred in connection with Quotations (e.g. costs for travel, drafting of plans, drawings, design, models, etc.) shall be borne by Supplier.
- 2.3 All enquiries of Buyer with Supplier about Supplier's Goods and Services and terms of their supply or Buyer's requests for quotations by Supplier do not legally bind Buyer in any way. The estimated quantities quoted in any price inquiry statement or requests for quotation are indicative only, and do not bind Buyer, until Buyer explicitly calls for fixed quantities in any purchase order [or in calls for delivery, if this ordering method has been agreed.

3. Contracts and Orders

- 3.1 Buyer's contracts and orders are only binding if they are made in writing. Any signature of Buyer is not required. The written form requirement is satisfied if transmission is by fax or email. Contracts and orders made orally or by telephone are not binding and do not cause under any circumstances a contractual relationship to come into existence. Oral agreements must be confirmed in writing. Likewise, changes to the contract (subject to the detailed provisions in Clause 9 below) as well as side-agreements or any modifications of the contracts and orders must be made in writing in order to be legally effective.
- 3.2 A valid and binding contract between Buyer and Supplier incorporating these Conditions shall be formed by
 - (i) Buyer's written purchase order submitted to Supplier (constituting a purchase offer), and
 - (ii) Supplier's express written acceptance of the purchase order by means of a confirmation of order to be received by Buyer within seven days (7) of the date of the purchase order, or
 - (iii) Supplier's commencement of performance of the purchase order and/or delivery of the Goods and/or rendering of the Services.

Any order confirmation by the Supplier which is received later or which differs from Buyer's purchase order represents a new purchase offer and must be accepted by Buyer in writing.
- 3.3 If contracts or purchase orders specify that the Goods to be delivered shall be designated by calls for delivery ("*Call-offs*") such Call-offs become effective two (2) days after submission to Supplier, unless the Supplier has objected to them in writing within this two day period.
- 3.4 Any Call-offs submitted to the Supplier shall be treated as non-binding forecasts (cf. Clause 3.6), unless (i) a Call-off has been

submitted to the Supplier within two weeks prior to the respective Delivery Date (cf. Clause 6.1) or (ii) a Call-off, which has been submitted to the Supplier earlier than two weeks to the respective Delivery Date (cf. Clause 6.1), has not been changed by Buyer two weeks prior to the respective Delivery Date; in these events (i) and (ii) the Call-off shall be deemed as binding.

- 3.5 Buyer is also entitled to submit orders to Supplier, which are not based on a contract and/or on a framework agreement ("*Single Purchase Order*"). Single Purchase Orders shall become effective three (3) days after submission to Supplier, unless the Supplier has objected to them in writing within this three-day period.
- 3.6 Buyer may provide Supplier from time to time, or in its purchase orders or in its calls for delivery, with estimates, forecasts or projections ("*Forecasts*") of its future anticipated volume or quantity requirements for Goods. Any such Forecasts are provided for informational purposes only and are non-binding (except as set out in Clause 3.4 above). Buyer is under no obligation of any kind or nature, express or implied, to order Goods with or take off Goods from Supplier in the amounts stated in any such non-binding Forecast. Supplier accepts that Forecasts may not be accurate and that actual volume or duration could be less than or greater than the Forecasts. Supplier expressly accepts this risk.

4. Prices, Terms of Payment, Retention of title

- 4.1 The binding prices and payment terms are set out in the purchase order. The prices are fixed prices and constitute the total prices for manufacturing and delivering Goods and performing Services. VAT in the statutory amount is not included in the price and shall be charged separately.
- 4.2 In particular, the price includes delivery to the delivery address (cf. Clause 5.1) as well as packaging, freight, insurance, storage and other costs of this nature, provided no other arrangement is made in the purchase order.
If the Parties agree on the application of the Incoterms, in cases of doubt: DDP pursuant to Incoterms 2010, including packaging will apply.
- 4.3 The invoiced amount may be paid within 60 days after end of month, provided no other payment term is agreed between the Parties. These payment periods do not start to run before the orderly receipt of (i) the Goods, (ii) if required, the test certificates required under Clause 5.4 below and (iii) orderly delivery notes and invoices. If the payment date falls on a weekend or holiday, payment shall be made on the next working day. The fees incurred for international payment transactions shall be borne by Supplier. Invoices shall be sent in duplicate.
- 4.4 Unless credit / payment offset procedures have been agreed with the Supplier, invoices can be processed by Buyer only if they state – in accordance with the requirements in its purchase order – the order number and the article number as quoted in the purchase order as well as in the case of tools or investment products the respective project number; the Supplier shall be responsible for all consequences resulting from the failure to comply with this obligation provided it was at fault.
- 4.5 Buyer may make payment at its discretion by bank transfer, electronic transfer or by check. Credit / payment offset procedures need to be agreed specifically between the Parties to be applicable.
- 4.6 Notwithstanding Sec. 354a German Commercial Code, Supplier is not entitled to assign its claims under delivery relationship with Buyer or have them collected by third parties without the written consent of Buyer.
- 4.7 Supplier does not have the right to adjust prices or charge additional costs of any kind without the prior express written consent of Buyer. A late delivery of Goods, late invoicing and the delivery of defective Goods shall entitle Buyer to withhold payment accordingly.
- 4.8 The set-off of Supplier's claims against Buyer is only permitted in the case of uncontested or finally adjudicated claims. Supplier may only use its right of retention in relation to Buyer if Supplier's counterclaim on which it bases its right of retention is based on the same contract and is uncontested or has been finally adjudicated.

- 4.9 Property in the Goods shall pass to Buyer upon full payment of the purchase price. Any prolonged or extended retention of Supplier's title is excluded.
- 4.10 Buyer shall inform Supplier if Buyer should be presented with the more favourable offer of a third party during the term of a purchase order for the delivery of serial parts concerning the manufacture and delivery of the Goods that are the subject matter of the purchase order or of similar parts in comparable volumes, particularly with respect to price, rebates, technology, quality, payment terms, delivery period or other terms (hereinafter: the "Terms"). The Parties shall then use their best efforts to re-establish Supplier's competitiveness. Should Supplier be unable to offer Buyer the same Terms despite such efforts or should the Parties be unable to come to an agreement on an adjustment of Supplier's prices within a reasonable period, Buyer shall be entitled to terminate the relevant purchase order and/or all other agreements concerning the delivery or Goods without complying with a notice period.

5. Delivery and Transfer of Risk

- 5.1 Delivery (including the transfer of risk) shall be governed by the commercial clauses customary to the automotive industry and/or specified in the purchase order (particularly Incoterms 2010) at the place of receipt or collection ("Delivery Address"). Provided the Parties do not agree on any terms of delivery, delivery shall be made DDP (Incoterms 2010) to the stated Delivery Address.
- 5.2 All Goods must be properly packed, labeled and shipped in compliance with the Tristone Packaging Agreement in the most recent version in effect at the time the Buyer's relevant order is issued; a copy of Tristone's Packaging Agreement may be obtained from Buyer's purchasing department on request.. No charge is allowed for wrapping, packing, transportation, cartons, boxing, crating, cartage or insurance unless designated on the purchase order.
- 5.3 Unless Buyer expressly agrees otherwise in writing, containers and packing must be supplied free but will be returned, if required, at the Supplier's risk and expense.
- 5.4 Supplier is obliged to enclose the relevant shipping notes to the deliveries. The shipping notes must contain the Buyer order number, part number and the Supplier number. Dispatch notices and delivery notes with an exact description of the contents shall be provided in triplicate, while two copies shall be attached to the delivery. If agreed in the respective contract/order/Call-off, test certificates shall be attached to invoices (see Clause 4.3 above) in duplicate and to the delivery in one copy.. If these requirements are not met on grounds for which Supplier is responsible, Supplier must bear the delays in processing this causes.
- 5.5 Supplier must label the Goods, prototypes, tools, packing materials and packaging in accordance with Buyer's instructions and otherwise in accordance with the applicable laws and the standards of the automotive industry. Provided nothing to the contrary has been agreed, labels must be in the form of barcodes or in another form determined by Buyer or required under law.

6. Delivery Dates and Delays in Delivery

- 6.1 Delivery must be made at the time and to the Delivery Address (cf. Clause 5.1) stated in the purchase order or otherwise agreed between the Parties in writing ("Delivery Date"/"Delivery Period").
- 6.2 In the event that agreed Delivery Periods and Delivery Dates are exceeded, Buyer is entitled to rescind the relevant purchase order upon the expiration of a reasonable period of grace by a written notice. Besides, Supplier is obliged to compensate for default damage in accordance with the statutory provisions.
- 6.3 Buyer is not obliged to accept premature deliveries, excess deliveries or partial deliveries that have not been agreed. Supplier shall bear the risk of loss of the Goods that have been delivered prior to the Delivery Date. Buyer is entitled to return excess deliveries at Supplier's expense; Supplier must bear all packaging, processing, sorting and transport costs. Buyer is entitled to store all of the Goods delivered prior to the applicable Delivery Dates under

Clause 6.1 or excess deliveries at the risk and cost of Supplier until the Delivery Date falling due.

If Buyer accepts premature deliveries or excess deliveries on this basis, Buyer is nevertheless not obliged to make payment at an earlier date than the due date pursuant to the scheduled Delivery Date.

- 6.4 Should Supplier anticipate that it will be unable to meet the Delivery Date, regardless of the ground, it must inform Buyer thereof in writing without undue delay, stating the reason and suspected duration. Furthermore, Supplier must present to Buyer without undue delay an action plan for re-establishing its full ability to make delivery.
- 6.5 In the event of late deliveries on grounds for which Supplier is responsible, and notwithstanding all other rights of Buyer, Buyer shall have the right to demand for each working day of delay a contractual penalty in the amount of 0.1 % of the delivery value of the Goods in default, however, at most 5 % of the total value of the respective delivery. Each accrued contractual penalty shall be credited against any otherwise asserted damages for default.

7. Delivery by Third Parties

Supplier is fully liable that deliveries conducted by sub-suppliers or other third parties who delivers the Goods on behalf of the Supplier to the Buyer, comply with Clauses 5. and 6. of the Conditions. Those sub-suppliers and third parties shall use their own delivery forms or state in their shipment documents that deliveries are conducted in the name of the Supplier and refer to Buyer's order number to Supplier. Failing these requirements, Buyer shall be entitled to refuse to take delivery of Goods or return these delivered Good at the expense of the Supplier.

8. Force Majeure, Emergency Strategy

- 8.1 Disruptions in the delivery relationship due to events that are unforeseeable and unavoidable and outside of the sphere of influence of a Party and for which the affected Party bears no responsibility such as force majeure, labor disputes (strike and lock-out), war, unrest, terror attacks or natural disasters shall release the Parties from their performance duties for the duration of the disruption and for a reasonable period thereafter, as well as in the scope of their effects.
- 8.2 If the end of the disruption is not foreseeable or if the disruption continues for more than two (2) months, each Party shall have the right to rescind or terminate without notice the affected purchase order/delivery contract/Call-offs (or its as yet unperformed parts).
- 8.3 Taking into account the special requirements of car manufacturers, it must be ensured that the provision of the Goods to be supplied is maintained in the event of disruptions in Supplier's sphere of influence. Supplier thus undertakes to implement an emergency strategy, provided this is appropriate in light of foreseeable business disruptions, particularly in the areas of procurement, manufacturing, production and/or transport resulting in a delivery restriction (concerning delivery periods and volumes) or, if no such emergency strategy has been defined, to provide for its fastest possible development and introduction so that impacts on supplies can be avoided or at least limited to the greatest possible extent. Buyer must be allowed to inspect this emergency strategy at all times upon demand. Supplier must inform Buyer without undue delay of disruptions or other events which could cause a limitation of the deliveries.

9. Contractual / Technical Changes

- 9.1 Changes to the contract including changes to quantities, method of shipment, packing, time or place of delivery or changes in the drawings or specifications must be mutually agreed by the Parties and recorded in writing, taking into account and reflecting any resulting increases in costs of, or time required for, the performance of the contract (if any). With respect to technical modifications, in particular modifications of Buyer's drawings or specifications, the following provisions of this Clause 9 shall apply in addition.
- 9.2 Buyer may at all times – also during serial production – request technical modifications of the Goods. Immediately after receipt of

Buyer's request for modification Supplier shall submit a cost estimate on possible cost increases or reductions as well as information on deadline shifts, consequences on the weight, function and quality resulting from the modifications. The Supplier is obliged to keep the costs caused by the modifications requested by Buyer as low as possible.

- 9.3 The Supplier will fulfil the request for modification as soon as the Parties have reached an agreement on any increased or reduced costs, the deadline shifts, the consequences on weight, function and quality.
- 9.4 If in Supplier's opinion technical modifications or deviations are sensible – e.g. due to more efficient production methods or for the improvement and increase of the security of its Goods or for an adjustment to the engineering progress – the Supplier will propose them to Buyer; simultaneously information must be given about the consequences on the price, the delivery dates, etc. Buyer shall examine these modification proposals without delay and shall not randomly refuse their acceptance.
- 9.5 The Supplier shall not perform any technical modifications until it has received Buyer's written approval. The procedure concerning the initial sample tests (PPAP or VDA 2) must be repeated with respect to all Goods which are subject to technical modifications after the original product release.
- 9.6 Buyer's technical documents, drawings and plans must be examined by Supplier with regard to their completeness and correctness prior to commencement of processing or production. If Supplier considers them to be incomplete or to contain faults or defects the Supplier is obliged to notify Buyer accordingly in writing without delay (but in any case prior to commencement of the processing or production); any missing technical documents, drawings or plans must be requested in writing without delay.

10. Quality Management

- 10.1 Supplier must comply with the latest state of the art and comply with all quality standards and legal requirements, which are applicable for the Goods. Supplier is particularly obliged to comply with the provisions of the Buyer's Supplier Quality Manual - TFP M.2. To the extent, Supplier has received drawings, samples or other regulations or documents from Buyer, it shall comply with them with respect to the workmanship and properties of the Goods. Changes to the Goods, an already released production process or its relocation to another site shall require the prior consent of Buyer in written form.
- 10.2 Supplier shall presently and in the future maintain a quality management system in accordance with IATF 16949. As an alternative a quality management system, which corresponds to and is consistent with the standards in the automobile industry according to VDA 6.1 or ISO 9001:2015 may be agreed by the Parties at the request of Supplier.
If Supplier does not meet the quality levels on any such quality management system, and Supplier does not correct such deficiencies within three months after notification by Buyer, in addition to any other rights Buyer has, Buyer may terminate the contract immediately without any further obligations to Supplier.
- 10.3 The equivalent provisions of the VDA Terms or IATF 16949 and ISO 9001:2015 in the versions applicable upon the conclusion of contract shall apply for initial samples and serial deliveries. Serial deliveries shall only be made after initial samples have been released by Buyer and shall correspond to the released initial samples, in particular in terms of their design, material and processes.
- 10.4 At Buyer's request, Supplier will furnish Buyer test samples of such Goods as may be reasonably required by Buyer to determine if Supplier's manufacturing is being performed in accordance with the specifications furnished by Buyer. These test samples will be provided at no cost to Buyer.
- 10.5 Interruptions in the quality management process – also with regard to parts concerned, which are purchased or processed by third parties – must be notified to Buyer without undue delay.
- 10.6 For use in serial production a target value is determined for the quality ppm and reviewed on a monthly basis. The Supplier bears the responsibility not to exceed at any time the required quality

failure rate (without prejudice to any of Buyer's possible warranty claims which are not affected thereby).

- 10.7 Buyer may, upon reasonable notice, during normal business hours, make reasonable inspections, at such intervals as Buyer deems necessary, of the facilities where Supplier manufactures Goods. Supplier shall ensure that the same right of inspection is also provided to Buyer at its sub-suppliers.
- 10.8 Inspection or testing as aforesaid shall not be deemed to constitute acceptance of the Goods or any part thereof nor shall it relieve Supplier from complying with any and all of the express or implied conditions in the purchase order (the contract).
- 10.9 If Supplier intends to relocate its production facilities or its plant site, it must give Buyer reasonable advance notice thereof; in so doing, it must comply with a notification period of at least six (6) months until the start of the dismantling or relocation of production machinery and pre-manufacture Goods in the necessary volume. The relocation scenario must be shown to Buyer by Supplier at the date of the relocation notification by way of a time schedule. Besides, Supplier must continually consult with Buyer on all effects on the production and delivery of the Goods and particularly organize a new initial sample of the Goods following the completion of such relocation.
- 10.10 All documents relevant to quality, including, but not limited to, release declarations, must be kept for a period of at least 15 years after the end of serial production for the relevant series.

In addition, Supplier must document the following in separate records with regard to the Goods that are specially labeled in the technical documents: (i) the dates, (ii) the nature of the audits and (iii) the names of the individuals who have conducted the audits for the purpose of confirming compliance with the requirements contained in the documentation and (iv) the results of the required quality audits. The corresponding audit documents must be kept [10] / [15] years after the end of serial production for the relevant series and delivered to Buyer upon demand. Supplier shall ensure that its sub-suppliers have equivalent duties.

11. Inspection of Goods

In view of the quality management system adopted by Supplier pursuant to Clauses 10.1 and 10.2 above the Parties agree that Buyer's inspection of incoming Goods shall be replaced by their examination by Supplier prior to the dispatch of the Goods to Buyer. For these purposes, the Parties agree further:
Buyer shall only inspect the Goods delivered by Supplier upon receipt for any discrepancies in identity and quality and for visually discernible damage if and as soon as this is appropriate in accordance with proper business practice. Buyer shall report any defects established during this inspection to Supplier without undue delay. In all other respects, Supplier waives any further inspection of incoming goods at Buyer.
Buyer shall report other defects, which are discovered by Buyer during processing or the use of the delivered Goods in accordance with the terms of contract to Supplier without undue delay upon the discovery of the defects. To such extent, Supplier shall waive the defense of the late notice of defect.

12. Warranty

- 12.1 Supplier warrants that all delivered Goods
 - (i) comply with the specifications, samples, drawings and other requirements of Buyer,
 - (ii) are free of defects (particularly in design, production and material),
 - (iii) are suitable for the purposes for which they were bought, provided Supplier is aware of such purposes.
- 12.2 Should Buyer discover Goods that do not comply with the requirements under Clause 12.1 prior to production (handling and processing, installation or mounting) ("Defective Goods"), the following applies:
At the election of Buyer, Supplier must promptly deliver defect-free Goods (replacement parts) or remedy /repair the defects of the Defective Goods (together: "Subsequent Performance"). All sorting work or other remedial work that may be required shall be

conducted by Supplier in coordination with Buyer on Buyer's premises.

Supplier shall bear all of the costs incurred by itself or Buyer through the delivery of Defective Goods (including, but not limited to, the costs for sorting, transporting, inspecting (including the expense of research and development) the causes of the defects, etc.). These costs also include the costs for removing the Defective Goods and installing the newly delivered, defect-free Goods.

12.3 If a defect is discovered after the start of production, the provisions in Clause 12.2 shall initially apply. In addition, the following applies:

(i) If a defect is discovered before the product is delivered by Buyer to its customer, Supplier shall additionally bear the costs for all remedial work (labour costs, costs of materials, cost for additionally required tools).

(ii) If a defect is discovered only after the products have already been delivered by Buyer to its customers or even to the latter's end customer (e.g. the consumer), Supplier shall additionally bear the portion of the incurred costs for taking them back and/or for field campaigns which correspond to Supplier's contributory cause or contributory fault. Buyer shall inform Supplier as soon as such defects occur and shall inform it of the further action and the measures to be taken.

12.4 If the Subsequent Performance fails or cannot be reasonably expected of Buyer or if Supplier does not commence with it without undue delay, Buyer may rescind the affected purchase order without any further notice and send the Goods back to Supplier at his risk and expense.

In these and other, urgent, cases, particularly to avert imminent danger or avoid greater damage, and when it is no longer possible to inform Supplier of the defect and give him an even short period to remedy the defect, Buyer may remedy the defect itself or have the defect remedied by a third party.

12.5 In all other respects, the statutory provisions shall apply additionally, particularly with respect to the right of Buyer to a reduction of the purchase price, damage compensation and compensation for expenses.

12.6 In the event that the Buyer complains a Good as being defective, Supplier has the obligation (i) to start an investigation about the root causes of the defectiveness as complained and (ii) to answer questions made in the complaint without undue delay. Supplier especially will submit to the Buyer (i) a 3D report within 24 hours, (ii) a 4D report within 10 days and (iii) a 8D report within 20 days after reception of the Buyer's complaint. If the Supplier should fail to meet the milestones of this report schedule, the Buyer's complaint shall be deemed as acknowledged by the Supplier.

12.7 The warranty period for Goods that constitute "production material" shall be

(i) thirty-six (36) months in each case as of the initial registration of the vehicle into which the Good was installed, but a maximum of forty-eight (48) months after the delivery to Buyer for all markets (excluding the North American market), and

(ii) fifty-four (54) months in each case as of the initial registration of the vehicle into which the Good was installed, but a maximum of sixty (60) months after the delivery to Buyer for all North American markets (U.S.A., Canada, Puerto Rico).

For all other items (e.g. spare parts or tools), the warranty period is thirty-six (36) months after delivery to Buyer.

12.8 Have a customer of Buyer and Buyer agreed into longer warranty periods as mentioned under Clause 12.7 above, Supplier agrees to apply to these longer warranty periods in relation to Buyer after notification of the Supplier thereof.

13. Recall and Field Campaigns

To the extent a recall, an owner notification program or any other field campaign is required in fulfilment of a law, regulation, order or other governmental requirement or as a safety measure to avoid personal injury or death, or a field or service campaign takes place due to a decision of Buyer's customer, Buyer shall inform Supplier – where possible and reasonable - of the content and scope of the recall to be conducted, the owner notification program or the field

campaign and shall give Supplier the opportunity to comment. All other contractual and/or statutory claims by Buyer against Supplier (particularly claims in recourse) shall remain unaffected by this Clause 13.

14. Liability, Product Liability

14.1 Where Supplier has caused a product defect and/or (depending on the underlying basis of claim) is at fault in relation to it, Supplier is obliged to pay damages and indemnify Buyer in relation to all claims by third parties, provided that the cause of the claim lies within the control and organization of Supplier and Supplier itself would be liable to the third party. Where there is contributory cause or contributory fault on the part of Buyer, Supplier may claim such contributory fault or contributory cause in relation to Buyer. In the relation between Buyer and Supplier, their respective share in the damage compensation payments shall be governed by their equivalent share in the contributory fault and/or their contributory cause.

Supplier's obligations also include the costs incurred by Buyer for obtaining legal assistance or which are incurred in connection with the defence against product liability claims. Should Buyer be subject to special rules governing the burden of proof in relation to the injured party, these rules on the burden of proof shall also apply in Buyer's relationship to Supplier, provided the circumstances to be proven are not attributable to Buyer's area of responsibility.

14.2 Should performance by Supplier or his subcontractors also include work on the business site of Buyer or a customer of Buyer, Supplier shall take all required precautionary measures during the course of the work to avoid personal injury and property damage. Supplier shall compensate and indemnify Buyer for all damage caused by Supplier's work on the business site, unless Supplier bears no fault. Supplier shall oblige its subcontractors accordingly.

In addition, Supplier must comply with the house rules of Buyer, which will be provided to him upon request.

14.3 Supplier shall be liable for its representatives or subcontractors in the same manner as for its own conduct.

14.4 The Supplier commits itself to take out and maintain reasonably sufficient insurance coverage (especially, but not limited to product liability insurance, insurance covering recalls and public liability insurance) for its obligations resulting from the purchase orders / contracts. The Supplier shall provide Buyer at its request with evidence of the relevant insurance policies in writing. If the Supplier is not able to provide evidence of the insurance policies within two weeks, Buyer is entitled to take out such insurance at Supplier's expense.

15. Tooling, Tools, Free Issue Equipment

15.1 All parts, raw materials, tools, materials (dies, templates, measuring instruments, forms) or other machines or items (including replacements, add-ons, accessories) provided by Buyer or purchased by Supplier at Buyer's expense (and whose procurement costs are reimbursed by Buyer or have been included in the prices to be paid for the Goods and have been fully paid) ("Tooling"), shall be the sole property of Buyer. All rights shall also remain with Buyer for all drafts, samples, drawings, templates, blueprints, stereotype plates, films, data, models or other information and documents ("Documents"). Supplier shall not use the Tooling and Documents for the production or design of goods for third customers without the prior written consent of Buyer.

15.2 Supplier shall have possession of the Tooling and the Documents as a borrower and shall keep them separate and segregated from any other property of other parties and shall clearly mark them as Buyer's property. Supplier shall bear the risk for the Tooling and Documents for as long as they are located in the possession or control of Supplier. They shall not be removed from Supplier's business premises without the written instructions of Buyer, save for the purpose of fulfilling the terms of contract. Supplier shall also conduct the maintenance work that may be required in the normal intervals at its own expense until the expiration of the duty to replace parts (15 years under EOP). They must be stored and maintained carefully, and if appropriate replaced to be fully usable to the extent necessary under the contract at the expense of

Supplier. Supplier shall be obliged to protect Buyer's ownership and right of disposal of the Tooling and Documents, and to refrain from taking any action, which may or could adversely affect Buyer's ownership and/or right of disposal. Supplier shall provide the list of Buyer's ownerships once a year. Supplier shall be obliged to insure the Tooling immediately by concluding appropriate policies against all insurable risks, especially theft, damage, water, etc. and any resulting interruptions in business operations. On request, Supplier shall be obliged to provide Buyer with suitable confirmation of insurance cover. Scrapping of the Tooling shall require Buyer's prior written approval. Supplier is obliged to provide any data requested by Buyer for the Tooling. In case Buyer decides to transfer the Tooling, Supplier shall provide the Tooling physically ready for transfer and provide the Documents for the Tooling.

- 15.3 Supplier shall keep Buyer's property free of all mortgages, charges or other encumbrances and will procure that any lien over Buyer's property is discharged forthwith.
- 15.4 Buyer is entitled to obtain possession and ownership of the tools needed for the manufacture of Goods ("Necessary Tools") at any time against payment of their present value less the amounts Buyer has already paid to Supplier or which are amortized through the price of the Goods. This right does not exist if Supplier needs the Necessary Tools to manufacture and deliver the Goods under a valid (particularly not terminated) purchase order. If Buyer exercises this right, Supplier shall provide Buyer with all of the technical information and safety instructions for use, which Buyer requires to install, assemble and otherwise use the Necessary Tools.
- 15.5 Where Buyer provides Supplier with products, raw materials or other material for its manufacture of Goods, Buyer shall retain title to such goods ("Reserved Property"). The handling/processing, conversion or installation or the transformation of the Reserved Property by Supplier shall be on behalf of Buyer. If the Reserved Property is processed with other items which are not the property of Buyer, Buyer shall acquire co-ownership in the new product in the ratio of the value of the Reserved Property (purchase price plus VAT) to the other processed items at the time of processing.
- 15.6 If the Reserved Property provided by Buyer is indivisibly attached to or mixed with other items, which are not the property of Buyer, Buyer shall acquire co-ownership in the new product in the ratio of the value of the Reserved Property (purchase price plus VAT) to the other attached or mixed items at the time of attachment or mixing. If the attachment or mixing happens in such manner that Supplier's items are deemed to be the main item, it is agreed that the Supplier shall transfer proportionate co-ownership to Buyer; Supplier shall store and keep the sole or co-owned property of Buyer on behalf of Buyer.

16. Provision of Spare Parts

- 16.1 Supplier agrees to warrant the provision of spare parts for the intended life of the products for which the Goods are to be used. The minimum period is 15 years after the end of serial production for the Goods. Supplier shall thus also ensure the availability of the Tooling (see. Clause 15.2).
- 16.2 During the supply of serial parts, the price for the spare parts shall be equivalent to the price set down in the current purchase order. As of the third year after the end of the supply of serial parts (EOP), each price shall be individually agreed between the Parties on the basis of the prices applicable at the end of serial production, taking into account any of Supplier's incurred additional costs for the manufacture of the spare parts.
- 16.3 In good time prior to the expiration of the 15-year minimum period for the provision of spare parts, Supplier shall grant Buyer the opportunity to submit a final order for its long-term requirements.
- 16.4 For deliverables that are not included in a product for a vehicle (particularly for Tooling), Supplier shall warrant the uninterrupted provision of spare parts at fair market prices for the duration of at least fifteen (15) years as of the date of delivery.
- 16.5 Tools for serial parts or for spare parts may not be scrapped, sold or otherwise disposed of even after the expiration of the 15-year minimum period for the provision of spare parts unless Buyer has given its express written consent (either in advance or after the

fact). Supplier shall contact Buyer in this regard at least 12 months prior to any such intended action.

17. Intellectual Property Rights

- 17.1 Supplier warrants that neither Buyer nor the customers of Buyer in connection with the purchase, ownership, offering, use, processing or resale of the Goods will infringe any trademark, company, name, patent, utility model, design model, compound recipes, trade dress or design rights or copyrights of third parties (including applications for such intellectual property proprietary rights) ("Intellectual Property Rights") in Supplier's country of origin and in the Federal Republic of Germany, the European Union, UK (after Brexit), the United States of America, Canada, China, India, Brazil, South Korea, Japan, Vietnam or any other country where the Goods (or the vehicle into which they are incorporated) are sold or used. If Supplier commits a culpable breach of this duty, it shall indemnify Buyer and its customers for any claims of third parties under such actual or alleged infringements of Intellectual Property Rights and bear any and all costs and expenses Buyer may incur in this regard, including, but not limited to, the costs of the prosecution of and defense against rights on the one hand and the costs resulting from compliance with a possible cease and desist obligation on the other.
- 17.2 Clause 17.1 shall not apply if the Goods are produced in accordance with drawings, models or other detailed information from Buyer and Supplier is neither aware nor should have been aware that this infringes the Intellectual Property Rights of third parties.
- 17.3 The Parties are obliged to inform one another without undue delay of the risks of infringement and alleged cases of infringement of which they become aware and to mutually counteract the equivalent claims of infringement within the scope of what can be reasonably expected of them.
- 17.4 The limitation period for claims under this Clause 17 shall be three (3) years as of the conclusion of the relevant contract.

18. Commissioned Development

To the extent Supplier conducts development work for Goods (production material) or Tooling (particularly tools) for Buyer, whose costs are either paid separately by Buyer and/or which are reimbursed through the prices payable for the Goods (Commissioned Development), the following applies:

- 18.1 Supplier shall achieve a development result that is free of the intellectual property rights of third parties; Clause 17 applies accordingly.
- 18.2 The ownership of rights to all of the development results (including all inventions, know-how, test and development reports, suggestions, ideas, drafts, designs, proposals, samples, models, etc.) achieved by Supplier under the scope of the cooperation ("Work Products"), shall inure to Buyer upon their creation.
- 18.3 To the extent the Work Products can be protected as intellectual property, Buyer is particularly entitled, at its own discretion, to register, pursue and discontinue at any time Intellectual Property Rights both in Germany and in foreign countries in its own name.
- 18.4 Supplier shall claim without limitation the inventions made by its employees when performing this Agreement that are capable of protection as intellectual property by notice to the inventor; the right to the invention must be transferred to Buyer without undue delay.
- 18.5 To the extent the Work Products are protected by Supplier's copyrights, Supplier shall grant Buyer and the affiliated companies of Buyer the exclusive, royalty-free, irrevocable, sub-licensable, perpetual, territorially and substantively unlimited right to freely use and exploit this Work Product in any manner. To the extent the Work Products are created in the form of Software, the rights of use and exploitation shall be limited to the object code. Buyer may demand the delivery at any time, even during the execution of the development project.
- 18.6 Supplier (and his affiliated companies) is and remains the owner of the inventions made prior to the commencement of the cooperation and of the intellectual property rights registered or granted for them, as well as for the copyrights, utility models and

- know-how existing prior to the cooperation ("Existing Intellectual Property Rights").
- 18.7 To the extent Existing Intellectual Property Rights are required for the exploitation or further development of the Work Products, Buyer shall receive a perpetual and territorially unlimited, royalty-free, non-exclusive, transferrable and irrevocable right of use with the right to issue sublicenses.
- 18.8 To the extent Supplier involves sub-suppliers under the scope of its performance, it is obliged to ensure through appropriate contractual arrangements that Buyer receives the ownership rights and rights of use in accordance with the provisions of this Clause 18.
- 19. Compliance with the Laws, Safety, Environmental Protection, Hazardous Substances**
- 19.1 Supplier must comply with all applicable federal, state or municipal laws, rules, provisions or orders and industry standards concerning the Goods and Services as well as during the performance of a purchase order. When performing its contractual duties it must particularly comply with all statutory and governmental rules regarding environmental protection and product safety and employment provisions. In particular, it shall maintain an environmental management system according to ISO 14001:2015 (or set up such system within six (6) months of the conclusion of a delivery contract).
- 19.2 For Goods and materials, as well as for procedures that must be given special treatment due to the laws, regulations or other provisions or due to their composition and impact on the environment, such as in relation to transport, packaging, labelling, storage, treatment, manufacture and disposal, it is mandatory that Supplier complies with the statutory provisions set forth for the country of manufacture as well as the country of distribution.
- 19.3 Supplier is particularly responsible for complying with the applicable hazardous goods regulations. In particular, Supplier shall ensure that only specially trained personnel is assigned to handle dangerous goods and substances and that only licensed devices, containers and facilities are used to transport such dangerous goods and substances on public streets. Supplier is obliged to provide an overview and material safety data sheets of all dangerous goods and substances it used to perform the delivery contracts.
- 19.4 Supplier shall ensure that the requirements of the EU Chemicals Regulation REACH (Regulation (EC) No. 1907/2006, OJ. EU of 30.12.2006) – hereinafter referred to as "REACH" - are met, particularly timely preregistration and registration. Buyer is in no way obliged to conduct the (pre-) registration. Supplier is aware that the Goods may not be used if the REACH requirements are not fully and properly met.
- 19.5 The ingredients (heavy metals) covered by the EU End of Life Vehicles Directive (*ELV – End of Life Vehicles*) shall be entered into the IMDS database by Supplier at its own costs and are, thus, declared.
- 19.6 If Supplier has culpably entered into an arrangement with a third party regarding the Goods or deliveries that are the subject matter of this Agreement or if it has otherwise engaged in conduct constituting an unlawful restriction of competition within the meaning of the applicable anti-trust provisions (as established by a final and enforceable decision issued by a court or by a government office), Supplier must pay 8 % of the net billing amount of the scope of delivery affected by this anti-trust violation to Buyer as liquidated damages, provided Supplier cannot prove that Buyer incurred no or only lesser damage. This obligation shall survive the termination or fulfilment of the relevant purchase order. Other or additional contractual or statutory claims by Buyer shall remain unaffected by this provision; in particular, Buyer may claim greater damages upon corresponding proof of damage.
- 19.7 Supplier shall fully indemnify Buyer for all consequences, including, but not limited to, Buyer's damage and the claims of third parties against Buyer resulting from Supplier's culpable failure to comply with or fulfill the foregoing provisions of this Clause 19 fully or on time.

20. Cancellation of Orders / Contracts

- In case of long-term contracts concerning the delivery of Goods the following provisions on term and termination shall apply:
- 20.1 Buyer is entitled to terminate such contracts with six months written notice; for Supplier a nine months' notice shall apply.
- 20.2 In those cases in which Buyer's customer cancels its orders without cause or exceptionally, Buyer is entitled, without prejudice to its right of termination pursuant to Clause 20.1, to mutually enter into any other arrangement with the Supplier to reflect such circumstances.
- 20.3 Each Party has the right to terminate a contract without notice for good cause. Good cause shall include, but is not limited to, the following cases:
- (i) for Buyer in the event that the customer of Buyer terminates on any grounds whatsoever the contract for the delivery of the products for which Buyer needs Supplier's Goods;
 - (ii) insolvency proceedings concerning the assets of a Party are initiated or rejected due to the lack of assets or one of the Parties is liquidated
 - (iii) the occurrence of a significant deterioration of the asset situation of a Party (which leads to a threat to the fulfillment of its obligations to the other Party);
 - (iv) the breach of major contractual duties; in the event of a breach which can be remedied, however, not until the Party not being at fault has demanded in writing that the other Party remedies the breach, warned it of the threatened termination for cause and given it a reasonable period of grace of at least four weeks which has expired to no effect;
 - (v) A Party comes under the control of a competitor of the other Party due to a change in its owners or shareholders.
- 20.4 In case of a cancellation or other termination of the contract the Supplier must return all items provided by Buyer, including all drawings and other documents, appliances and tools.

21. Confidentiality

- 21.1 The Parties are obliged to treat all confidential information they have directly or indirectly received from the other Party as confidential. Orders and all of the commercial and technical details related to them must also be treated as confidential information. In particular, all received illustrations, drawings, calculations, quality guidelines, samples, compound recipes and similar items must be kept secret. A reproduction and disclosure of confidential information is only permitted within the scope of business requirements. It may only be disclosed to third parties upon prior written consent.
- 21.2 The above obligations do not apply to such confidential information for which the receiving Party can prove that it
- was already in the public domain at the time of its disclosure or came into the public domain thereafter through no fault of the receiving Party;
 - was already in its possession at the time of disclosure;
 - was provided to it by a third party without any duty to maintain confidentiality and not to use the confidential information, provided that these third parties did not directly or indirectly receive it from the other Party;
 - must be disclosed to the authorities under statutory regulations.
- 21.3 Supplier agrees to oblige its sub-supplier to comply with the same scope of non-disclosure duties. Supplier may use the information disclosed to it by Buyer exclusively for the use for which it was intended.
- 21.4 The non-disclosure duty shall survive the termination of the delivery relationship for a period of five (5) years. Supplier agrees to return all received confidential information to Buyer upon the termination of the delivery relationship, provided it is in tangible form or has been stored on electronic storage media. The fulfillment of these duties under the two last sentences must be confirmed in writing to Buyer by Supplier upon Buyer's request.

22. Data Protection

Buyer is entitled to process all data relating to Supplier for our own purposes, in line with and according to the rules of the German

Data Protection Act and the European General Data Protection Regulation.

23. Miscellaneous Provisions

- 23.1 In the event any provision of these Conditions is found to be invalid, illegal or unenforceable, such provision shall be deemed to be modified or restricted to the extent necessary to make such provision valid, legal and enforceable. If such modification or restriction is not possible, the nullity of one or more of the present clauses will not affect the validity of the others or the validity of the contract.
- 23.2 Supplier may not assign any purchase order, or any part thereof, without the prior written consent of Buyer.
- 23.3 Supplier must not employ one or more subcontractors for the fulfillment of all or part of any purchase order without the Buyer's prior written consent which shall not be withheld unreasonably.

24. Governing Law, Jurisdiction, Place of Performance

- 24.1 The contractual relations between Buyer and Supplier shall be governed by the laws of the Federal Republic of Germany, excluding the UN Convention on Contracts for the International Sale of Goods (CISG).
- 24.2 Exclusive place of jurisdiction is Frankfurt am Main. Buyer is entitled to sue the Supplier before any other court or to claim otherwise against him judicially.
- 24.3 Place of performance for all obligations under any contract is the place of Buyer to which the Goods shall be delivered and/or where the Services shall be rendered as indicated in the purchase order.