

General Terms and Conditions of Business (GTC)

(Version: 01.07.2020) – English

1. SCOPE

1.1 These GTCs shall apply for all contracts and business relationships, including future contracts and business relationships, relating to the manufacture, processing and delivery of products and/or the provision of services with and for the following KIRCHHOFF Group companies:

- Germany: KIRCHHOFF Automotive GmbH, KIRCHHOFF Automotive Deutschland GmbH, KIRCHHOFF Witte GmbH;
- Hungary: KIRCHHOFF Hungária Kft.;
- Ireland: KIRCHHOFF Ireland Ltd.;
- Romania: KIRCHHOFF Automotive Romania SRL;
- Poland: KIRCHHOFF Polska Sp. z o.o.;
- Portugal: KIRCHHOFF Automotive Portugal S.A.;
- Spain: KIRCHHOFF Espana S.L.U.;
- China: KIRCHHOFF Automotive Suzhou Co. Ltd., KIRCHHOFF Automotive Shenyang Co. Ltd.

(hereinafter "Purchasers").

1.2 The below terms shall be defined as follows for the purposes of these GTCs:

- "Suppliers" are all natural and legal persons from which the Purchaser orders services or deliveries.
- "Supply Contracts" are all sales contracts, delivery contracts and contracts for works and services.
- The Purchaser and Supplier together are the "Parties."
- "Contractual Products" are all materials, parts, components and services specified in the Purchaser's Purchase Order, Scheduling Agreement or Framework Agreements.
- "Affiliated Companies" are affiliated companies in terms of § 15 of the German Stock Corporations Act (AktG) which shall particularly include those companies in which a party holds a majority of shares, those which hold a majority of shares in the party and companies which are under the party's direct or indirect control, or which exercise direct or indirect control over the party.

1.3 Any commercial relationship between the Purchaser and the Supplier (i.e. Purchase Orders, Delivery Call-offs, etc.) shall be governed by these GTC and the following documents in the respectively valid and current version which can be found under "Downloads" in the purchasing submenu of the Purchaser's website (<https://www.kirchhoff-automotive.com/company/purchasing/downloads/>). They are binding for the Supplier and the Supplier has to fully conform with any regulations set forth in these GTC and the referenced documents. Any deviation thereof has to be agreed in writing between the Purchaser and the Supplier.

- *KIRCHHOFF Automotive Code of Conduct / KIRCHHOFF Automotive Code of Conduct Supplier Supplement*
- *Information security guidelines for suppliers of KIRCHHOFF Automotive*
- *KIRCHHOFF Automotive Quality Assurance Guideline for Suppliers*
- *KIRCHHOFF Automotive Logistics Manual for Suppliers*

1.4 General terms and conditions of business or regulations of the Supplier are and shall not be a part of the agreement between the Purchaser and Supplier, even if the Purchaser does not expressly object thereto.

2. ORDERING SYSTEM, PERFORMANCE OF SUPPLY CONTRACTS, TERMINATION

2.1 In general, and unless otherwise agreed in any individual case, the Purchaser orders on the basis of Scheduling agreements and Scheduling agreement releases according to the following system:

- The Purchaser shall notify the Supplier at regular intervals, in the form of Scheduling agreements and Scheduling agreement releases, of the supply quantities which are expected to be required in the periods cited in those notices.
- Scheduling agreements shall serve exclusively to facilitate capacity planning for the Supplier and shall be non-binding for the Purchaser. The Supplier shall be required to ensure capacity for the quantities specified in the Scheduling agreements.
- Scheduling agreement releases shall serve to effect the actual and legally binding release of quantities, whereby the following system shall be applied, in the form of production and material go-aheads:
 - Production go-ahead: the quantities cited in the Scheduling agreement releases shall be binding for a period of 4 (four) weeks. The period shall commence on the date the scheduling agreement release is created and shall continue progressively daily for the period indicated above, unless a new scheduling agreement release is issued. The Purchaser shall be required to accept these quantities.
 - Material go-ahead: the Supplier shall be entitled to purchase raw materials and parts for the quantities cited in scheduling agreement releases for 10 (ten) weeks from the date on which the scheduling agreement release was generated. The period shall commence on the date the scheduling agreement release is created and shall continue progressively daily for the period indicated above, unless a new scheduling agreement release is issued. If delivery of the relevant quantities is not accepted by the Purchaser, the Purchaser shall be required to purchase raw materials and parts which were purchased for the period of the material go-ahead at a reasonable price. However, this shall only be the case if and insofar as the Supplier is demonstrably unable to use the raw materials and/or parts in another way.
 - Quantities in scheduling agreement releases beyond the period of the production and material go-ahead shall not be binding. The Purchaser shall not be required to purchase such quantities.

2.2 Independently of the above system, the Purchaser may also place individual Purchase Orders with the Supplier. Accordingly, binding supply contracts shall also be established when Purchase Orders are placed by the Purchaser and accepted by the Supplier.

2.3 Scheduling agreement releases and Purchase Orders shall be considered to be accepted by the Supplier if the Supplier fails to object thereto within 3 (three) workdays (Monday through Friday) or commences execution of the Scheduling agreement release or Purchase Order. The

Purchaser shall also be entitled to revoke scheduling agreement releases and purchase orders which have yet to be accepted by the Supplier.

- 2.4 Binding Scheduling agreement releases, Purchase Orders and acceptances may be issued in writing or by EDI, web-EDI or e-mail.
- 2.5 The Purchaser may request changes to Supply Contracts to the extent that such changes are reasonable for the Supplier. This shall particularly include changes to ordered quantities and to the place and time of delivery or the place and time at which the services are to be provided. The Parties shall reach a mutual agreement concerning distribution of the costs arising from such change requests.
- 2.6 The Purchaser shall be entitled at any time to ask the Supplier to make changes to the design and specifications of the delivery object, to the extent that changes are reasonable for the Supplier. Any consequences resulting from such changes, particularly with regard to higher or lower costs and delivery dates, shall be arranged between the Parties by mutual agreement. Changes planned by the Supplier must be reported to the Purchaser and shall require written approval from the Purchaser prior to the implementation thereof.
- 2.7 Existing Supply Contracts may be terminated through extraordinary termination for important reason. The Purchaser shall also be entitled to exercise ordinary termination of such contracts, observing a reasonable notice period. This shall also apply for fixed-term contractual relationships.
- 2.8 If a petition is filed for the initiation of insolvency proceedings concerning the Supplier's assets, the Purchaser shall be entitled to withdraw from the contract with respect to contractually owed performances which have yet to be rendered and/or request damage compensation. The Purchaser shall also have a right of termination for Supply Contracts in the event that the Purchaser's customer discontinues the relevant project and/or suspends purchase of parts for whose production the Purchaser is purchasing services from the Supplier.

3. DELIVERY, PACKAGING, CUSTOMS

- 3.1 Unless otherwise agreed, delivery shall be free domicile, including packaging, insurance and customs (DDP Incoterms 2020), to the address specified by the Purchaser, whereby the Supplier shall bear all costs and risks until the goods are delivered to the Purchaser.
- 3.2 A delivery note shall be issued for each delivery, which shall include the order/release number, the order/release date, the article number and description, the quantity, the weight (gross/tare weight), the supplier number and the Supplier's address.
- 3.3 Unless otherwise agreed, the Supplier shall be responsible for handling import and export procedures and shall be required to obtain the documents and information necessary for shipment and customs as well as paying customs. In addition, the Supplier shall be required to provide the Purchaser with all of the information listed below and the Supplier shall specify this information in the offers, release and order confirmations and invoices thereof:
 - the export control classification number pursuant to Annex AL to the Foreign Trade Ordinance or comparable items in applicable export control classification lists;
 - for US goods, the *Export Control Classification Number* (ECCN) pursuant to the *US Export Administration Regulations* (EAR);
 - the non-preferential origin of its goods and components of its goods, including technology and software;
 - whether the goods were shipped through the US, manufactured or stored in the US or made using US technology;
 - the commodity code (HS code) of its goods; and
 - a contact person within its company to provide clarification if the Purchaser has any questions.

At the Purchaser's request, the Supplier shall be required to communicate all other foreign trade information about its goods and their components to the Purchaser in writing and to notify the Purchaser of all changes to the above information in writing without delay, prior to delivery of the relevant goods.

- 3.4 Each delivery of raw materials shall include an inspection certificate for the materials.
- 3.5 The Supplier shall also be required to adhere to the provisions of the "*KIRCHHOFF Automotive Logistics Manual for Suppliers*" in the version specified in Section 1.3 hereof.
- 3.6 In order to ensure timeliness, the Supplier shall be required, at the Purchaser's request, to maintain a permanent buffer storage which shall comprise at least the amount of the Purchaser's average monthly requirement. The monthly requirement shall either be taken from the relevant Scheduling agreement or calculated based on the Supplier's past orders.

4. DELIVERY DATES

- 4.1 The agreed-upon delivery dates and periods shall be binding. Adherence to delivery dates or deadlines shall be determined by the date on which the delivery of Contractual Products arrives at the domicile of the company which placed the order or the recipient designated thereby.
- 4.2 If it was agreed, at variance with Section 3.1 hereof, that the Purchaser is to pick up the goods at the cost thereof, the Supplier shall be required to confirm availability of the ordered goods to the Purchaser at least 2 workdays (Monday through Friday) prior to expiration of the delivery deadline, e-mail to e-mail address specified by the Purchaser, and to make the goods available for pick-up, including packaging.
- 4.3 The Purchaser may postpone agreed-upon delivery dates by up to 3 (three) months without entitling the Supplier to change the prices of Contractual Products or request reimbursement or damage compensation. In such cases, the Purchaser shall notify the Supplier of any changes in delivery dates as soon as possible.
- 4.4 If the danger exists that a delivery date will be exceeded, the Supplier shall be required to notify the Purchaser thereof immediately after obtaining knowledge thereof. In such case, the Purchaser shall be entitled to designate the most suitable mode of shipment. The Supplier shall bear all additional shipping costs which may accrue.
- 4.5 Early, partial and excess deliveries shall require the Purchaser's consent. Without such consent, the Purchaser may refuse to accept the delivery and may instead keep it in storage or ship it back at the Supplier's cost.

5. DEFAULT

- 5.1 The Supplier shall be required to compensate all damages arising to the Purchaser as a result of late delivery.
- 5.2 If the Supplier is in default, the Purchaser shall be entitled to request a contractual penalty from the Supplier. The amount of the contractual penalty shall be 0.3% the value of the relevant delivery or service for each workday (Monday through Friday) of default, but no more than 5% of the total value of the relevant delivery or service. At variance with the above provision, if the Purchaser and the Supplier are domiciled in the same country outside of Germany, the amount of the contractual penalty shall be 3% of the value of the relevant service or delivery per workday of default. The Supplier shall be free to demonstrate that no damages occurred to the Purchaser or that the damages were lower than the contractual penalty. The Purchaser reserves the right to demonstrate higher damages. In such case, the Purchaser shall be entitled to assert such higher default damages in full. The contractual penalty paid by the Supplier shall count towards such damage claims of the Purchaser.

6. QUALITY AND DOCUMENTATION, SUBCONTRACTORS, DELIVERY CAPACITY

- 6.1 All of the Supplier's services and deliveries must conform to the specifications and quality requirements of the Purchaser or the Purchaser's customers for each specific product or service, as well as to the latest standards of science and engineering, and must be suitable for the intended purpose. Services and deliveries must also satisfy all relevant statutory and official requirements as well as conforming to standards of the VDA (German Association of the Automotive Industry; e.g. VDA Volumes) which are applicable to the supply relationship. All changes, such as changes in drawings, shall require the Purchaser's written approval.
- 6.2 The Supplier shall be required to set up a certified quality and environmental management system conforming to customary industry standards in the automotive industry (at least DIN EN ISO 9001 or IATF 16949 and DIN EN ISO 14001) and to maintain such system at all times. This shall be documented to the Purchaser without need for request.
- 6.3 The Supplier shall be required to train and appoint a Product Safety and Conformity Representative (PSCR) in accordance with the VDA Volume on "Product Integrity" prior to its first delivery to the Purchaser for each production site at which products are manufactured for the Purchaser and the Purchaser shall be notified that such person will serve as contact person.
- 6.4 The Supplier shall be required to adhere to the provisions of the Purchaser's "*Quality Assurance Guideline for Supplier*," in the version specified in Section 1.3 hereof.
- 6.5 The Supplier shall be required to fully inspect all goods prior to departure to ascertain that they are free of defects and the Supplier shall document this inspection. Such documentation shall be archived for at least 15 years. The Supplier shall also be required to preserve additional documents relating to quality for a minimum term of 15 years from the creation thereof. This shall particularly include development documents (drawings, inspection processes, risk assessments, etc.).
- 6.6 It must be ensured that products in the supply chain are traceable with no gaps. In particular, the batch number of the Supplier's Contractual Product is to be specified in the accompanying documents.
- 6.7 Third parties may not be engaged to execute orders or partial orders of the Purchaser without the prior written consent of the Purchaser. In case of violations, the Purchaser shall be entitled to withdraw from the contract in whole or in part and request damage compensation.
- 6.8 Any change by the Supplier to the products with respect to the quality or origin thereof, or to production processes, production sites or place of shipment, shall require prior written notice to the Purchaser and approval by the Purchaser. The Supplier shall be required to communicate this duty to provide notice and obtain approval all along the production and supply chain thereof.
- 6.9 The Purchaser and the Purchaser's customers shall have the right to audit the Supplier after prior notice. In the course of such audits, the Supplier shall be required to provide the Purchaser or the Purchaser's customers with all requested information and to provide access to all relevant documents, processes and company facilities. The Supplier shall be required to ensure that the Purchaser and the Purchaser's customers have a right of audit and access for subcontractors as well.
- 6.10 If a market surveillance authority requests an audit of production processes or the disclosure of inspection records, the Supplier shall be required to provide the Purchaser with adequate assistance at the request thereof and, in particular, to make available the requested records.
- 6.11 The Supplier shall be required to ensure that all subcontractors agree to conform with the requirements arising from these GTCs, at a minimum, and shall document such agreements to the Purchaser upon request.
- 6.12 At the written request of the Purchaser, the Supplier shall be required to provide the Purchaser with suitable information, while adhering to existing duties of confidentiality and statutory provisions, so as to enable the Purchaser to evaluate the present economic and financial circumstances of the Supplier with respect to the delivery capacity thereof. In accordance with Section 13 of these GTCs, the Purchaser shall be required to maintain the confidentiality of such information, but may communicate such information to its Affiliated Companies

7. SUPPLY OF SPARE PARTS

Unless otherwise agreed upon in writing, the Supplier shall be obliged to ensure the supply of spare parts for a minimum term of 15 years starting from the end of serial production and to keep the production equipment in operational condition. Scrapping during this period shall require the express approval of the Purchaser. The agreed-upon price for serial parts shall remain unchanged for at least five years after the cessation of serial production.

8. ACCEPTANCE AND INSPECTION OF INCOMING GOODS

- 8.1 If an acceptance procedure is required given the legal nature of the agreement between the Supplier and the Purchaser or if such a procedure has been agreed upon, a formal acceptance procedure shall be conducted following completion or delivery of the goods, through an acceptance record. Notional acceptance, whether through the Purchaser's failure to respond to a request for acceptance from the Supplier, through payment of compensation or through use of the goods, shall be excluded.
- 8.2 The Purchaser shall conduct inspections of incoming goods in order to ascertain the quantity and identity of the goods, as well as externally visible damages to the packaging during shipment, and shall notify the Supplier if deviations are found in the course of such inspections. Further inspections shall not take place, as a general rule. The Purchaser shall notify the Supplier of defects which were not evident in such inspections ("Hidden Defects") following the discovery thereof.
- 8.3 At variance with Section 8.2 above, if the Purchaser and the Supplier are domiciled in the same country outside of Germany, the Purchaser shall not be required to conduct inspections of incoming goods. In such cases, the Purchaser shall report defects to the Supplier as soon as such defects are found over the course of the Purchaser's business activities.
- 8.4 Notices of defects in terms of Section 8.2 above shall be timely if the defects are reported to the Supplier within ten (10) workdays of receiving the goods at the latest or, in case of Hidden Defects, within ten workdays of discovering the defect. Payment of an invoice with no notice of defects shall not amount to confirmation by the Purchaser that the goods conform to contractual requirements.
- 8.5 The Supplier shall be required to conduct a full inspection of products delivered and services provided by subcontractors upon delivery of the products or provision of the services in order to verify that such products and services are free from defects, and the Supplier shall document such inspections and the results thereof and preserve the documents for a minimum term of 15 years.

9. TERMS OF PAYMENT

- 9.1 The Purchaser shall be free to pay by bank transfer or through another means of payment. The Supplier shall be required to take part in a self-billing procedure at the Purchaser's request.
- 9.2 Unless otherwise agreed, payment may be made within 14 days at a 3% discount or, alternatively, within 30 days of receipt of the goods by the Purchaser and receipt of a duly issued invoice, with no discount.
- 9.3 If early deliveries are accepted, the due date shall be based on the agreed-upon delivery date.
- 9.4 The Purchaser shall be entitled to set off due, not due and future claims to which the Purchaser or an affiliated company thereof is entitled, regardless of the legal grounds and legal relationship, against due, not due and future claims of the Supplier and of the affiliated companies thereof. The Purchaser shall be entitled to withhold due payments as long as the Purchaser asserts claims against the Supplier based on incomplete or defective services or deliveries.

- 9.5 The Supplier shall only be entitled to rights of set-off and retention for claims which are acknowledged or established by final and binding judgment.
- 9.6 The Supplier shall not be entitled to assign the claims thereof against the Purchaser to third parties or arrange for the collection thereof by third parties without the prior written consent of the Purchaser. However, the assignment of claims to third parties shall be valid even without the Purchaser's consent. In such cases, the Purchaser shall be entitled to make payments for performance of the duties thereof both to the Supplier and to the third party to which the claim or claims were assigned by the Supplier.
- 9.7 Invoices are to be sent in duplicate to the Purchaser's domicile. The invoices shall specify the supplier number, the order number and date (or the date of the Scheduling agreement release), any additional information about the Purchaser which may be required in any individual case, the unloading point, the number and date of the delivery note and the quantity of the invoiced goods. A separate invoice must be issued for each delivery note.

10. WARRANTY

- 10.1 The Supplier shall be responsible for ensuring that the goods
- conform to all specifications, standards, drawings and designs and/or descriptions of the Purchaser or the Purchaser's customers;
 - conform to all applicable industry standards, laws and regulations in the country of origin, the country of destination and countries in which products or vehicles equipped with the goods are sold;
 - conform to the latest standards of science and engineering and are suitable for the intended purpose; and
 - are free of third-party rights.
- 10.2 Unless otherwise specified below, the statutory provisions shall apply in the event of material defects or defects in title.
- 10.3 In the event of material defects or defects in title, the Purchaser may request the Supplier to perform a replacement delivery or render subsequent performance. The Supplier shall bear all costs necessary for this purpose, including any dismantling and installation costs. If the Supplier fails to perform the replacement delivery or render the subsequent performance within the period set by the Purchaser, or if such replacement delivery or subsequent performance fails, the Purchaser shall be entitled to withdraw from the contract or reduce the purchase price in proportion to the actual value of the goods which had been delivered as of the delivery date relative to the value which the goods would have had on that date had they been delivered in accordance with the contract.
- 10.4 If the Supplier fails to satisfy its duty to render subsequent performance within the reasonable period set by the Purchaser, the Purchaser shall also be entitled to render the subsequent performance and perform the necessary (preliminary) work (e.g. sorting) itself, or arrange to have it performed by a third party at the Supplier's cost. This shall also apply in cases where, given the urgency of the case (e.g. in order to avert acute risks and/or avoid substantial damages), the Purchaser or the Purchaser's customers cannot reasonably be expected to allow the Supplier to perform a replacement delivery or render subsequent performance, or if the Supplier is not capable of doing so or refuses to do so without justification.
- 10.5 In the event of subsequent performance, if measures are required on-site or at the premises where the goods were to be delivered as per the agreement (e.g. sorting, rectification), the Supplier shall be required to render the subsequent performance, or arrange to have the subsequent performance rendered, at this location at its own cost. Subsequent performance shall be rendered without delay in order to maintain production and avoid a line stoppage.
- 10.6 In the event of material defects or defects in title, the Supplier shall bear all costs, expenditures and damages arising from such defects, particularly the cost of searching for errors, dismantling and installation costs, shipping, travel and labor costs and the cost of materials, regardless of

whether such costs accrued to the Purchaser, the Purchaser's customers or in the Purchaser's broader production and sales organization.

- 10.7 Insofar as the Purchaser has concluded warranty agreements with its customers, the Supplier shall be required to bear the costs and damages assessed by the Purchaser's customers in accordance such warranty agreements to the extent that such costs and damages are attributable to its share of the (defective) delivery. In the event of recourse, the Purchaser shall notify the Supplier if possible of the findings and the handling of the case and shall involve the Supplier in the process (e.g. through presentation of test parts).
- 10.8 Warranty claims shall become time-barred in 48 (forty-eight) months (unless a longer period is provided by law) from the date of the delivery or, depending on the legal nature of the matter, from the date of acceptance. In the event of a replacement delivery, the limitation period for replaced contractual products shall begin anew.

11. INDEMNITY AND RECALLS

- 11.1 The Supplier shall indemnify the Purchaser and the affiliated companies thereof against all claims which are asserted against the Purchaser or the affiliated companies thereof based on breach of contract by the Supplier or based on acts or omissions for which the Supplier is responsible. The Purchaser shall be free to choose whether to mount a defense against the claims (in court) on its own or arrange to have the Supplier mount the defense. If the Purchaser assumes the defense (in court), the Supplier shall be required to assist the Purchaser in the defense, at the request thereof, and in particular to communicate all requested information thereto without delay.
- 11.2 If parts used by the Purchaser or the Purchaser's customers, or parts being used in the field, have to be recalled or replaced because defective materials were delivered by the Supplier, the Supplier shall be required to reimburse the costs accruing in connection with such recalls or similar technical measures.

12. INSURANCE

- 12.1 The Supplier shall be required to ensure that it has insurance coverage which is customary in the industry and adequate with respect to the obligations thereof. The Supplier shall be required to maintain the following minimum insurance coverage (worldwide scope) for the duration of its contractual relationship with the Purchaser:
- (professional) indemnity and product liability insurance for industrial and commercial businesses (product liability model) with a minimum insured amount of 10 (ten) million Euros for each loss and calendar year for personal injury and property damage;
 - recall cost liability insurance for automotive parts suppliers with a minimum insured amount of 20 (twenty) million Euros for each calendar year.
- 12.2 The Supplier shall be required to present the Purchaser with documentation of the insurance coverage cited above without delay upon request.

13. CONFIDENTIALITY

- 13.1 The Parties shall be required to treat all commercial and technical information, data, documents, know-how, calculations, procedures and processes which are not available to the public and which become known thereto through the business relationships as business secrets of the other Party. In addition, they shall require the employees thereof to agree in writing to maintain confidentiality to the same extent, as well as taking appropriate measures to ensure confidentiality. The same shall apply for subcontractors and outside service providers.
- 13.2 Technical documentation (drawings, models, designs, etc.) may not be provided or made available to unauthorized third parties. Accordingly, the duplication or reproduction of such

documentation is to be documented and shall be permissible only within the bounds of operational requirements and adhering to provisions of copyright law. Upon cessation of the contractual relationships, all documents specified in these GTCs and in additional confidentiality/non-disclosure agreements shall be returned or, at the beneficiary's request, destroyed.

- 13.3 The Parties may not use their business relationship for advertising purposes without the prior written consent of the other Party.
- 13.4 Correspondence of any kind between the Supplier and the Purchaser's customers relating to the individual products and services ordered by the Purchaser from the Supplier shall not be permitted without the prior written consent of the Purchaser.
- 13.5 The Supplier shall be required to adhere to the provisions of the "Information security guideline for suppliers of KIRCHHOFF Automotive," in the version specified in Section 1.3 hereof.
- 13.6 Otherwise, the provisions for the protection of business secrets (the Business Secrets Act in Germany and, in other member states of the European Union, the statutes implementing Directive 2016/943) and the provisions of confidentiality and non-disclosure agreements shall apply for the handling of business secrets.

14. PROPRIETARY RIGHTS, KNOW- HOW

- 14.1 The following shall apply for the handling of Proprietary Rights and Know-How in terms of these GTCs: Proprietary Rights shall include all proprietary rights regulated by law (e.g. trademarks, copyrights, designs, etc.). "Know-How" shall include knowledge relating to specific products and production. Proprietary Rights and Know-How which existed before the Supplier's engagement by the Purchaser shall be referred to as "Background-IP." Proprietary Rights and Know-How which arise for the Supplier, third parties or the Purchaser after the Supplier's engagement by the Purchaser shall be referred to as "Foreground-IP."
- 14.2 Background-IP shall remain property of the relevant holder and shall be provided to the other Party for use if and insofar as such is necessary for execution of the order or for contractual use of the Contractual Products.
- 14.3 Foreground-IP shall generally be property of the Purchaser in their entirety. If such rights cannot be transferred (e.g. in case of copyrights), the Supplier shall grant the Purchaser an irrevocable, transferable, sublicensable and exclusive license free of charge, without limit as to time, territory and subject matter.
- 14.4 Patentable inventions made by employees of the Supplier in connection with rendering development performances shall be offered by the Supplier for transfer to the Purchaser without delay. The Supplier shall ensure such transfer through contractual agreements to this effect with the employees thereof.
- 14.5 The Supplier shall assist the Purchaser in the registration of Foreground-IP.
- 14.6 Insofar as the Supplier, through the engagement thereof, obtains associated rights to use (secret) know-how and other proprietary and trademark rights of the Purchaser, the Supplier shall obtain no rights of its own thereto. All rights shall be the exclusive property of the Purchaser. The Supplier shall not be authorized to use such rights for any purposes other than performance of the delivery obligations thereof vis-à-vis the Purchaser. The Supplier shall safeguard such rights as business secrets.
- 14.7 The Supplier shall warrant that no industrial property rights (patents, trademarks, utility models and registered designs), licenses and copyrights, protected designations and other third-party intellectual property are infringed by the deliveries and services thereof or by the Purchaser's use of the delivered goods, tools and equipment.

- 14.8 The Supplier shall indemnify the Purchaser against all claims and costs, including the cost of enforcing rights, arising from an infringement or alleged infringement in this regard and shall compensate the Purchaser for all damages arising as a result unless the Supplier is not at fault.

15. FORCE MAJEURE

- 15.1 Any event which renders a Party unable to perform the contractual duties thereof, for which the affected Party was not responsible and which was not foreseeable for the affected Party ("Force Majeure"), particularly war, uprisings, earthquakes, strikes and internal unrest, shall release the Parties from their obligations under this agreement. Performance shall only be suspended for the duration of the unavoidable event. The affected Party shall be required to notify the other Party without delay if it is incapable of rendering its contractually owed performance.
- 15.2 The Purchaser shall be entitled to procure the Contractual Products from other sources or arrange for the manufacture thereof for the duration of the Supplier's release from the performance duty thereof in accordance with Section 15.1 of this GTC and may thereby reduce the ordered quantities without further obligation to the Supplier. In such cases, the Supplier shall grant a non-exclusive, transferable and sublicensable license free of charge, with no limit as to territory, to the Old Proprietary Rights and Old Know-how (Background-IP) necessary to manufacture the Contractual Products for the duration of the Supplier's release from its duty of performance and for the time needed for the Supplier to build up equivalent alternative production.
- 15.3 If an event of Force Majeure lasts for more than 30 days, the Purchaser and Supplier shall have the option of terminating the relevant contract effective immediately by written notice to the other Party and no claims shall exist for the compensation of any damages or losses. Claims for the compensation of performances and reimbursement of futile expenses and performances already rendered shall remain unaffected thereby. In the event of termination in accordance with this Section, the Purchaser shall be entitled to request that the Supplier surrender all tools in its possession.

16. COMPLIANCE

- 16.1 The Supplier shall be required to comply with all statutory rules at all times in exercising the business activities thereof. In particular, the Supplier shall be required to heed and comply to applicable laws and regulations with respect to corruption, money laundering, minimum wage and anti-trust and competition law.
- 16.2 The Supplier shall also be required to adhere to the provisions of the "*KIRCHHOFF Automotive Code of Conduct Supplier Supplement*" and the "*KIRCHHOFF Automotive Code of Conduct*" in the version mentioned in Section 1.3 of this GTC. If the Supplier violates the provisions of Section 16 of these GTCs or those of the documents mentioned above, the Purchaser shall be entitled to terminate the contract and all existing agreements with the Supplier effective immediately and to terminate the business relationships immediately, and the Supplier shall not be entitled to derive any rights (e.g. damage claims) from such termination.

17. FINAL PROVISIONS

- 17.1 Modifications or additions to these GTCs shall require written form. This shall also apply for modifications to this requirement for written form.
- 17.2 If individual provisions of these GTCs are or become invalid, the remaining provisions of the agreement shall not be affected thereby. The Parties shall be obligated to replace the invalid provision with the valid provision which comes closest to the invalid provision from a legal and economic perspective.
- 17.3 The law of the Federal Republic of Germany shall apply for all claims and disputes arising from or in connection with these GTCs and the individual contracts established under these GTCs. At variance from the above, if the Purchaser and the Supplier are domiciled in the same country,

outside of Germany, the law of the country in which both Parties are domiciled shall apply. However, application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall be excluded in each case.

- 17.4 At variance from or in addition to Section 17.3 above, if the Purchaser and the Supplier are domiciled in the same country, outside of Germany, the additional provisions for the relevant country found at the end of these GTCs [Sections 19 I-VI) shall apply for the relevant country.
- 17.5 The exclusive place of jurisdiction for all claims and disputes arising from or in connection with these GTCs and all individual contracts established on the basis of these GTCs shall be Frankfurt a.M., Germany. However, the Purchase is also entitled to file suit at Supplier's place of business.
- 17.6 At variance from Section 17.5 above, if the Purchaser and the Supplier are domiciled in the same country, outside of Germany, the national court which has jurisdiction for the Purchaser's domicile in the country where the Purchaser is domiciled shall have exclusive jurisdiction for all claims and disputes arising from or in connection with these GTCs and all individual contracts established on the basis of these GTCs.

18. TRANSLATIONS

These GTCs are published in German, English, Chinese, Hungarian, Polish, Portuguese, Romanian and Spanish. In the event of discrepancies in items 1-18, only the German version is binding.

In the event of discrepancies in Clause 19, the version in the language of the country for which the respective amendments apply shall be binding.

19. ADDITIONAL PROVISIONS FOR SPECIFIC COUNTRIES: CHINA, HUNGARY, POLAND, PORTUGAL, ROMANIA, SPAIN

I. China

Insofar the Purchaser and Supplier have their domicile in China, whereas China in the context of this contract shall refer to People's Republic of China Mainland and Taiwan, Hong Kong Special Administrative Region and Macau Special Administrative Region shall be excluded, the following shall apply in addition to the above:

1. The word defect shall refer to sub-standard quality in the sense of the contract law of China as well as defect in the sense of the tort law and product liability law of China.
2. In Section 2.7
(i) the wording "through extraordinary termination for important reason" shall be replaced by "by the Purchaser in case, taking into account all the circumstances of the specific case and weighing the interests of both parties, the Purchaser cannot reasonably be expected to continue the contractual relationship until the agreed end or until the expiry of a notice period, (termination for extraordinary reason) including, but not limited to the case that the Supplier already clearly indicated not to fulfill its obligation, that due to actions of the supplier the trust in the relationship between the Purchaser and the Supplier is damaged beyond repair."

(ii) the second sentence shall be changed as following: The Purchaser shall also be entitled to exercise ordinary termination of such contracts without specific reason observing a notice period of 3 months.
3. Section 8.3 shall not apply and the inspection period of incoming goods shall be 48 months. Such inspection period shall not exclude claims, which could not have been found during an inspection according to industry standards.

4. In Section 9.4, the first sentence shall be changed as following:
The Purchaser shall be entitled to set off due, not due and future claims, upon such future claims becoming distinct and definable, to which the Purchaser or an affiliated company thereof is entitled, regardless of the legal grounds and legal relationship, against due, not due and future claims of the Supplier and of the affiliated companies thereof.
5. In Section 9.6
(i) the second sentence of 9.6 shall be changed as following: However, the Suppliers assignment of claims to third parties shall be valid even without the Purchaser's consent, upon the information of the Supplier to the Purchaser of such assignment in writing."

(ii) the third sentence of 9.6 shall be changed as following: In such cases, the Purchaser shall be entitled to make payments for performance of the duties thereof both to the Supplier and to the third party to which the claim or claims were assigned by the Supplier, whereas such payment to a third party or the Supplier shall be considered as satisfying the respective claim the Purchaser made the claim on and render such claim void.
6. In Section 10.8, the first sentence shall be replaced as following:
The warranty period shall be 48 (forty-eight) months (unless a longer period is provided by law) from the date of the delivery or, depending on the legal nature of the matter, from the date of acceptance. In the event of a replacement delivery, the warranty for replaced contractual products shall begin anew."
7. Section 17.3 shall be replaced by the following clause:
The law of the People's Republic of China shall apply for all claims and disputes arising from or in connection with these GTCs and the contracts concluded under these GTCs. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.
8. Section 17.5 and 17.6 shall be replaced by the following clause:
All disputes arising from or in connection with these GTCs or any individual contract established based on these GTCs shall be permanently resolved in accordance with the applicable and valid rules of the China International Economic and Trade Arbitration Commission (CIETAC) Shanghai Sub-Commission, to the exclusion of courts of law. The law of the People's Republic of China shall apply to this arbitration clause. The arbitration court must be comprised of three arbitrators of whom at least one shall be trained in the legal system of the People's Republic of China and must be qualified to exercise judicial office. The place of arbitration shall be Shanghai, China. The language of arbitration shall be English.

II. Hungary

Insofar the Purchaser and Supplier have their domicile in Hungary, the following shall apply in addition to the above:

1. In deviation of Section 9.4 the Purchaser shall be entitled to set off due claims to which the Purchaser or an affiliated company thereof is entitled, regardless of the legal grounds and legal relationship, against due claims of the Supplier and of the affiliated companies thereof. The Purchaser shall be entitled to withhold due payments as long as the Purchaser asserts claims against the Supplier based on incomplete or defective services or deliveries.
2. In deviation of Section 9.6, the Supplier shall not be entitled to assign the claims thereof against the Purchaser to third parties or arrange for the collection thereof by third parties without the prior written consent of the Purchaser. However, the assignment of claims to third parties shall be valid even without the Purchaser's consent. In such cases, upon receipt of such a performance instruction, the Purchaser shall be required to make payments for performance of the duties thereof to the third party to which the claim or claims were assigned by the Supplier.
3. In deviation of Section 14.2 Background-IP shall remain property of the relevant holder and shall be provided to the other Party for use only. The Parties hereby establish that the consideration for the use of Background-IP shall be included in the purchase price payable for the provision of products and/or services in line with the present GTC. For the avoidance of doubt, the Parties

resolve that the granted use of Background-IP (i) is not exclusive; and (ii) cannot be sublicensed to third parties; and (iii) only covers the territory of Hungary; and (iv) conforms to the general term of other license agreements made for the use of similar rights; and (v) is restricted to the fields of use and extent of use indispensable for the execution of the order or the contractual use of the Contractual Products.

4. In deviation of Section 14.3, Foreground-IP shall generally be property of the Purchaser in their entirety. If such rights cannot be transferred (e.g. in case of copyrights), the Supplier as creator shall grant the Purchaser a sublicensable and exclusive license free of charge, without limit as to time, territory, fields of use and extent of use. For the avoidance of doubt, the Parties establish that the Supplier as creator shall be entitled to use the Foreground-IP. The Parties resolve that they exclude the right of termination by the Supplier as creator for 5 years from the latter of the conclusion of the Supply Contracts or the handover of the Foreground-IP.

III. Poland

Insofar the Purchaser and Supplier have their domicile in Poland, the following shall apply in addition to the above:

1. In deviation of Section 1.2 the below terms shall be defined as follows for the purposes of GTCs:
 - "Suppliers" are all natural and legal persons as well as the organizational entities not being legal persons, in which a statute vests legal capacity from which the Purchaser orders services or deliveries.
 - "Supply Contracts" are all sales contracts, delivery contracts and contracts for works and services as well as other contracts relating to the manufacture, processing and delivery of products and/or the provision of services.

2. In addition to Section 1.4 the Purchaser has no intention to conclude Supply Contract excluding terms of the templates which are contrary to each other.

3. In deviation of Section 2.7 and without prejudice to the statutory withdrawal right, the Purchaser is entitled to withdraw from Supply Contracts (in whole or in the part) in the following cases:

(i) nonfulfillment or improper fulfilment of obligations under Supply Contract by the Supplier that has not been remedied within the deadline specified by the Purchaser – the withdrawal statement shall be made prior to the expiration of the deadline for the delivery of the goods or the performance of the services (or the relevant part thereof) set out under Supply Contract;

(ii) failure to deliver products and/or to provide services (or any part thereof) within the deadline set out under Supply Contract – the withdrawal statement shall be made within 30 days of the expiration of the deadline for the delivery of the goods or the performance of the services (or the relevant part thereof) set out under Supply Contract;

(iii) delay in a delivery of or manufacturing goods or a performance of services that makes meeting the deadline set out under Supply Contract unlikely for reasons other than reasons on the part of the Purchaser - the withdrawal statement shall be made prior to the expiration of the deadline for the delivery of the goods or the performance of the services (or the relevant part thereof) set out under Supply Contract;

Unless agreed otherwise or provided by applicable mandatory legal provisions, Supply Contracts may be terminated as follows:

(a) Supply Contracts concluded for the unlimited period of time and Supply Contracts concluded for the limited period of time for which the termination without a specific reason is allowed under the applicable mandatory legal provisions may be terminated by the Purchaser by one month notice and by the Supplier by three month notice;

(b) any Supply Contract may be terminated by the Purchaser without any notice for important reasons including but not limited to the reasons for withdrawal specified above (the deadlines for issuance of the withdrawal statements shall not apply).

4. In deviation of Section 9.4 the Purchaser shall be entitled to set off due claims to which the Purchaser is entitled, regardless of the legal grounds and legal relationship, against due claims of the Supplier.
5. In deviation of Section 9.6 in the event of the assignment of claims to third parties, once the Purchaser consents to the assignment or is duly notified thereon, the Purchaser shall be entitled to make payments for performance of the duties only to the third party to which the claim or claims were assigned by the Supplier.
6. In addition to Section 10.3 the Purchaser's request for the Supplier to perform a replacement delivery or render subsequent performance shall specify a deadline to complete it and the Purchaser shall be entitled to withhold the payment under the Supply Contract (its relevant part) until this demand is met. The statement on the withdrawal from the Supply Contract shall be made within 30 days of the expiration of the deadline mentioned above, however not later than within 3 months of the expiration of the deadline for the delivery of goods or the performance of the services (or the relevant part thereof) set out under Supply Contract.
7. In deviation of Section 10.4 if the Supplier fails to satisfy its duty to render subsequent performance within the reasonable period set by the Purchaser, apart from other statutory or contractual obligations the Supplier shall be obliged to redress the damage of the Purchaser by reimbursing the costs of rendering the subsequent performance and/or performing the necessary (preliminary) work (e.g. sorting) by the Purchaser or any third party. The above shall also apply to second sentence of Section 10.4.
8. In deviation of Section 14.2 Background-IP shall remain property of the relevant holder and shall be provided to the other Party for unexclusive use (unexclusive license) if and insofar (in terms of the scope of use, territory and duration) as such is necessary for execution of the Supply Contract or for use of the products/services delivered under Supply Contract. Granting the Purchaser the right to use Background-IP shall be considered as the part of the contractual performance of the Supplier in consideration for the payment being part of the payment to the Supplier agreed under Supply Contract. If requested by the Purchaser and in respect of any industrial property rights, the Supplier shall be obliged to confirm granting the above right (license) or to grant it in writing under the terms set out above.
9. In deviation of Section 14.3 Foreground-IP shall generally be property of the Purchaser in their entirety or shall be transferred for the benefit of the Purchaser to the fullest extent permitted by law along with the sole right to permit a performance of derivative rights as the part of the contractual performance of the Supplier under the Supply Contract in consideration for the payment being part of the payment to the Supplier agreed under the Supply Contract and the Purchaser shall not be obliged to pay any further remuneration or compensation for the transfer or any usage of Foreground-IP. If such rights cannot be transferred, the Supplier shall grant to the Purchaser an irrevocable, transferable, sublicensable and exclusive license (or the right for use respectively) without any limit as to territory and with no right to have it terminated by the Supplier. The license (or the right for use respectively) shall be granted under the terms concerning the scope and payment specified above. At the first request of the Purchaser the Supplier shall be obliged to conclude relevant agreements including all provisions required by law in writing under the terms specified above.

IV. Portugal

Insofar the Purchaser and Supplier have their domicile in Portugal, the following shall apply in addition to the above:

In deviation of Section 9.4 the Purchaser shall be entitled to set off claims due against claims due from the Supplier against each other. The Purchaser shall be entitled to withhold due payments as long as the Purchaser asserts claims against the Supplier based on incomplete or defective services or deliveries.

V. Romania

Insofar the Purchaser and Supplier have their domicile in Romania, the following shall apply in addition to the above

1. In deviation of Section 2.7 unless otherwise agreed by the Parties or provided under the applicable mandatory legal provisions, the Supply Contracts may be terminated at any time by the Purchaser in case of nonfulfillment or improper fulfilment of the obligations by the Supplier under Supply Contracts that has not been remedied within the deadline specified by the Purchaser, with no prior formality, judicial or extra-judicial, notice of delay or court intervention. In the event of termination of the Supply Contracts, the Supplier shall be liable for all damages incurred by the Purchaser. The Purchaser shall also be entitled to exercise unilaterally ordinary termination of such contracts, at any time, by serving a 30 (thirty)-day prior written notice to the Supplier before termination, with no other formalities or costs. This shall also apply for fixed-term contractual relationships. This clause has been carefully read and negotiated in order to be fully acceptable to the Parties and this clause is hereby expressly agreed and accepted by the Parties.
2. In deviation of Section 9.4 the Purchaser shall be entitled to set off due claims to which the Purchaser is entitled, regardless of the legal grounds and legal relationship, against due claims of the Supplier. The Purchaser shall be entitled to withhold due payments as long as the Purchaser asserts claims against the Supplier based on incomplete or defective services or deliveries.
3. In deviation of Section 9.6 the Supplier shall not be entitled to assign the claims thereof against the Purchaser to third parties or arrange for the collection thereof by third parties without the prior written consent of the Purchaser. However, the assignment of claims to third parties shall be valid even without the Purchaser's consent. Once the Purchaser consents to or is duly notified on the assignment of claims, the Purchaser shall be entitled to make payments for performance of the duties only to the third party to which the claim or claims were assigned by the Supplier. Prior to giving its consent or being notified on the assignment of claims, the Purchaser will be entitled to make payments for performance of the duties only to the Supplier.

VI. Spain

Insofar both, the Purchaser and the Supplier have their domicile in Spain, the following shall apply in addition to the above:

1. In deviation of Section 2.8, first sentence:
If a petition is filed for the initiation of insolvency proceedings concerning the Supplier's assets, the Purchaser is entitled to withdraw from the contract with respect to contractually owed performances which have yet to be rendered, provided the previous consent of the receiver. Possible existing claims for damages of the Purchaser remain unaffected.
2. In deviation of Section 5.2:
In the event of a penalty claim in accordance with Section 5.2 of the GTC, the Supplier shall be free to prove that the Purchaser has not suffered any damage or that the damage is less than the penalty, whereby the Purchaser shall, upon prior request by the Supplier, provide the latter with conclusive information on the items and the amount of the damage caused by the delay in delivery. The rest of Section 5.2 of the GTC remains unaffected.
3. In deviation of Section 8.3:
 - (i) The Purchaser shall conduct inspections of incoming goods in accordance with Section 8.2 of the GTC in order to determine externally visible transport damage to the packaging, quantity and identity of the goods, and shall notify the Supplier if deviations are found in the course of such inspections. Further inspections shall not take place, as a general rule. The Purchaser shall notify the Supplier of defects which were not evident in such inspections ("Hidden Defects") following the discovery thereof.
 - (ii) Notices of defects in terms of Section 8.2 of the GTC shall be timely if the defects are reported to the Supplier within ten (10) workdays of receiving the goods at the latest or, in case of Hidden Defects, within ten workdays of discovering the defect. Payment of an invoice with no notice of

defects shall not amount to confirmation by the Purchaser that the goods conform to contractual requirements.

4. In deviation of Section 14.3 and 15.2:
If the Supplier is obliged under Clauses 14.3 or 15.2 to grant the Purchaser a free, irrevocable, transferable, sublicensable and exclusive licence (Clause 14.3) or right of use (Clause 15.2) of copyrights without limit as to time, territory and subject matter, the Supplier expressly waives any subsequent claim to remuneration