

DRÄXLMAIER Group General Terms and Conditions for Exclusive Development Services

Revision 1, dated Jan. 01, 2022

Applicable in business dealings with entrepreneurs acting in exercise of their trade, business or profession when the agreement is entered into.

1. Operative provisions

- 1.1 Scope: These General Terms and Conditions for Exclusive Development Services (EMEA) (“**Terms Exclusive**”) apply to all legal relationships between Fritz Dräxlmaier GmbH & Co. KG and its affiliates based in the EMEA region (hereinafter “**DRÄXLMAIER**” or collectively the “**DRÄXLMAIER Group**”) that have as their subject the performance of development services with regard to the products or projects specified in the performance specifications (each referred to as a “**System**”). “**Affiliates**” means all companies that are majority owned or involve majority shareholdings or equity interests in relation to each other, dependent and controlling companies, companies under the uniform management of a single controlling company, and companies that hold shares or equity interests in each other.
- 1.2 Exclusivity: General Terms and Conditions of the Supplier that conflict with or deviate from this Agreement do not apply, even if they have not been expressly rejected or services have been accepted without reservation while knowing of terms and conditions of the Supplier that conflict with or deviate from these Terms Exclusive.
- 1.3 Parties: Unless otherwise agreed, Supplier within the meaning of these Terms Exclusive means exclusively the company from which DRÄXLMAIER commissions development services with regard to the System. These Terms Exclusive must moreover be observed by all Affiliates of the Supplier to the extent that they are involved in the development services. The party on the side of the DRÄXLMAIER Group is the company that commissions the System.
- 1.4 Order of precedence: Written provisions entered into by mutual agreement for the individual case shall take precedence over these Terms Exclusive.

2. Entry into agreement; amendments

- 2.1 Form of entry into agreement: Agreements regarding development services as well as declarations relating thereto must be made in written form unless otherwise provided hereinafter. The written form requirement is also deemed to be met if the relevant declarations are transmitted via SAP or via an e-sourcing portal provided by DRÄXLMAIER. To the extent that, in an individual case, the agreement is not entered into through the signing of an agreement regarding the development of the Systems, orders are deemed to have been confirmed by the Supplier if it does not object to the order in question in written form within three working days after receiving it. In case of doubt regarding the content of a declaration, the agreement comes into effect no later than upon the start of execution of the development service pursuant to the performance specifications.
- 2.2 Oral agreements; contractual amendments and addenda: Amendments and addenda to the relevant development agreement or these Terms Exclusive are valid only if they meet the written form requirement pursuant to Sec. 2.1. Oral agreements are not valid unless and until they have been confirmed in written form in accordance with Sec. 2.1.

3. Development service and documentation

- 3.1 Development service: The Supplier shall develop and design the System for DRÄXLMAIER in accordance with the performance specifications (“**Development Service**”) by the time mentioned in the project timeline and shall document its services in accordance with the stipulations contained in the performance specifications.
- 3.2 Competitiveness: The Supplier’s competitiveness in technical terms and with regard to price and quality is the basis for the placement of an order by DRÄXLMAIER.
- 3.3 Contributions to service by DRÄXLMAIER: Any contributions to be provided by DRÄXLMAIER are as stated in the performance specifications and any performance interface agreement, where such an agreement has been entered into. DRÄXLMAIER is permitted to commission third parties to provide its own contributions to the service. The Supplier undertakes to work together with the third party as necessary and shall notify DRÄXLMAIER without delay of any disruptions in performance that jeopardize the agreement.

- 3.4 Performance specifications: The performance specifications shall be updated jointly by DRÄXLMAIER and the Supplier in line with the progress of development. The last version agreed between the Parties, which must be documented in written form, applies in each case.
- 3.5 Delays in development: If it is apparent that the Development Services to be performed according to the project timeline could be delayed, the Parties shall notify each other thereof without delay, stating the reasons, and shall stipulate the measures necessary. Delays for which the Supplier is responsible shall in principle not affect the time limits agreed in the project timeline.
- 3.6 Development standard: In its development and design activities, the Supplier shall comply with the existing scientific standards, the state of the art and the relevant quality standards of the automotive industry, the statutory provisions, and the agreed technical requirements arising from the applicable performance specifications and other requirements that are communicated. The status as of the time of acceptance of the System shall be decisive. Furthermore, the System must not have any defects that eliminate or reduce its value or suitability for the stipulated use.
- 3.7 Provision of information: The Supplier shall request all information necessary to the performance of the Development Services from DRÄXLMAIER on time and shall coordinate in this regard with DRÄXLMAIER in due time.
- 3.8 Provision of equipment and operating materials and other supplies: If DRÄXLMAIER provides the Supplier with drawings, documents, equipment, tools, objects, or other equipment and operating materials and other supplies to perform the Development Services, such items are provided on loan. The Supplier must use these exclusively to perform the Development Services and must return them to DRÄXLMAIER without delay after the end of the Development Services.
- 3.9 Personnel: The Supplier undertakes to select and supervise qualified personnel carefully and to make every effort to ensure the continuity of the composition of the necessary personnel during the term of the agreement.
- 3.10 Development status: The Supplier shall prepare a report on the development status monthly or by specific agreement, permit DRÄXLMAIER to inspect the work product on hand in each case at any time, and provide all other requested information.
- 3.11 Rights of review: DRÄXLMAIER and third parties working on its behalf are entitled to review compliance with the requirements arising from these Terms Exclusive on the Supplier's premises and those of third parties commissioned by the Supplier. These reviews must be performed during the Supplier's customary business hours and must be announced by DRÄXLMAIER with reasonable lead time of not less than two working days. Accordingly, the Supplier must grant access to the rooms where the Development Services are performed. Advance notice is not required in urgent emergencies.

4. Technical changes

- 4.1 Obligation to make suggestions: The Supplier is obligated to suggest necessary and expedient technical changes to DRÄXLMAIER with regard to the desired result of the development process as soon as it realizes that these are necessary or expedient.
- 4.2 Change requests from DRÄXLMAIER: DRÄXLMAIER may request that the Supplier make changes to the System without delay at any time. The Supplier may object to the change request in written form within ten days if implementing the changes is unreasonable for the Supplier.
- 4.3 Necessary adjustments: If a change necessitates any adjustment to the relevant agreement, including the performance specifications and project timeline, particularly with regard to the costs and deadlines, the Supplier shall communicate the effects to DRÄXLMAIER before the changes are implemented. The effects shall be stipulated by mutual agreement with DRÄXLMAIER and documented. If these changes lead to additional costs or lower costs, a possible order from DRÄXLMAIER is necessarily required.

5. Outcome of the development process; industrial property rights; rights of use

- 5.1 Outcome of the development process: The rights to the System and the work product that arises in the course of the Development Services to be performed (including but not limited to inventions, know-how, test and development reports, suggestions, ideas, drafts, design, drawings, suggestions, samples, models, software including source code, CAD data sets including history, etc.) ("**Work Product**") shall rest exclusively with DRÄXLMAIER.
- 5.2 Assignment: The Supplier assigns to DRÄXLMAIER all rights to the System and Work Product that exist pursuant to Sec. 5.1. DRÄXLMAIER accepts the assignment. The assignment shall take effect as soon as the right exists.
- 5.3 Development by the Supplier: To the extent that a right pursuant to Sec. 5.2 cannot be assigned, DRÄXLMAIER shall receive an exclusive, irrevocable, transferable, sublicensable right of use and exploitation, and without limitation

in terms of time, territory, or content, with regard to the System and the Work Product for all currently known and unknown uses. The granting of rights includes but is not limited to authorization to use, communicate to the public, reproduce, and distribute the System and/or Work Product and to record the System and/or Work Product in digital or analog form on visual, data, and audio storage media of all kinds and to reproduce and distribute these for their own part, in Germany and other countries and in material or non-material form. DRÄXLMAIER hereby accepts the granting of rights. The granting of rights shall take effect as soon as the relevant right exists.

- 5.4 Drawings provided: The Supplier irrevocably declares its consent that DRÄXLMAIER may provide the drawings provided by the Supplier within the scope of the cooperation to third parties, for example within the scope of requests for proposals, whether in hard copy or as electronic data.
- 5.5 Delivery: The Supplier shall turn over the System and all embodiments of the Work Product to DRÄXLMAIER without delay after these are prepared, and in any event no later than upon termination of the agreement, and shall grant DRÄXLMAIER ownership thereof. To the extent that software is part of the System or the Work Product, the Supplier shall provide a copy of the source code to DRÄXLMAIER without delay after it is prepared, and in any event no later than upon termination of the contract research and development, and shall grant DRÄXLMAIER ownership thereof. The source code is also covered by the granting of rights under this Sec. 5.
- 5.6 Remuneration: All claims to remuneration for the assignment and granting of rights in this Sec. 5 are deemed to be fully settled and discharged upon payment of the remuneration pursuant to Sec. 6 hereof.
- 5.7 Right to be named as author: All Work Product and the System shall be provided to DRÄXLMAIER without copyright notices or other labeling by the Supplier. The Supplier waives the right to be named as the author.
- 5.8 Existing industrial property rights: The Supplier shall provide DRÄXLMAIER with information on its intellectual property rights as these exist or have arisen outside the development order at the time of the Parties' entry into the relevant development agreement (hereinafter "**Existing Industrial Property Rights**") to the extent that these are usable for or have been used to produce the System or the Work Product, are contained therein, or could conflict with the use and exploitation thereof. The Supplier grants DRÄXLMAIER, with regard to the Existing Industrial Property Rights, a non-exclusive, transferable and sublicensable right of use, without limitation in terms of time or territory, and with all claims to remuneration therefor deemed to be fully settled and discharged upon payment of the remuneration pursuant to Sec. 6 hereof, to use and exploit the System and the Work Product for all commercial purposes of DRÄXLMAIER, including but not limited to the production, further development, offering, sale, import, export, or adaptation of the System or Work Product and the use and exploitation of the System and Work Product to develop and produce other products and to sell, import, export, offer, adapt, and advertise such products that have been developed or produced using the System or the Work Product.
- 5.9 Applications for industrial property rights: DRÄXLMAIER is entitled to apply for industrial property rights with regard to the System or the Work Product. The Supplier is obligated to support DRÄXLMAIER in applying for, maintaining, and enforcing any industrial property rights to the extent necessary, and in particular shall issue any declarations that may be necessary to apply for, maintain, or enforce such rights. The Supplier shall notify DRÄXLMAIER without delay of any Work Product that is patentable or suitable for a utility model.
- 5.10 Third-party industrial property rights: The Supplier undertakes to produce, in its Development Services, a System and Work Product that are free of rights of third parties. This includes but is not limited to the obligation to perform a patent search and, upon request, present a corresponding patent questionnaire to ensure that no patent rights of third parties conflict with the use or exploitation of the System or Work Product. If the Supplier does not succeed in doing this, it must work to ensure that the use and exploitation thereof by DRÄXLMAIER or other contracting parties of DRÄXLMAIER pursuant to this Sec. 5 do not infringe any rights, patents, or other industrial property rights of third parties in Germany or other countries. Where necessary, the Supplier shall make corresponding license payments to third parties and work toward a workaround solution that does not infringe the rights of third parties. The Supplier shall notify DRÄXLMAIER without delay if it becomes aware of rights of third parties that conflict with the use or exploitation of the System or Work Product.
- 5.11 Infringement of industrial property rights: If claims are asserted against DRÄXLMAIER by third parties due to infringements of industrial property rights, the Supplier is obligated to indemnify and hold harmless DRÄXLMAIER from and against claims of third parties and to compensate DRÄXLMAIER for expenses, damage and costs (including legal costs) incurred.
- 5.12 Granting of rights of use by third parties: The Supplier shall ensure that all rights are transferred to the Supplier by the third parties that develop the System and/or Work Product. Remuneration for any inventions by its employees shall be paid exclusively by the Supplier. To the extent that the granting of rights of use by third parties, including but not limited to affiliates and subcontractors of the Supplier, is necessary for the use and exploitation of the System or Work Product by DRÄXLMAIER (e.g., because the System or Work Product make use of intellectual property rights

of third parties), the Supplier shall ensure that DRÄXLMAIER is granted the relevant rights of use and exploitation in the necessary scope. The same applies with regard to Affiliates of DRÄXLMAIER and other third parties to which or whom non-exclusive rights of use and exploitation with regard to the System and Work Product can be granted in accordance with the provisions of these Terms Exclusive.

- 5.13 Research and development right: The Supplier shall receive, for the purposes of further research and development, unlimited paid access to the System and the Work Product, including the intellectual property rights and know-how contained therein. Before exercising this right of use, the Supplier must notify DRÄXLMAIER of its intention to use these and must enter into an agreement regarding the use and remuneration with DRÄXLMAIER. However, the Supplier is not granted any rights of use with regard to intellectual property rights and/or know-how of DRÄXLMAIER or Affiliates of DRÄXLMAIER other than as mentioned above. The Supplier is not entitled to exploit the Work Product unless otherwise provided in the relevant development agreement or in a separate agreement on use and remuneration.
- 5.14 Licensing right: All rights granted to DRÄXLMAIER pursuant to this Sec. 5 also encompass the right to permit Affiliates of DRÄXLMAIER, cooperation partners, clients, customers, subcontractors, and other contracting parties of DRÄXLMAIER to use and exploit the System and Work Product as well as all intellectual property rights.

6. Remuneration for development

- 6.1 Development costs: The development costs to be paid for the successful performance of all services owed by the Supplier are as stated in the applicable milestone payment plan. Unless otherwise noted therein, these are due and payable 30 days after the relevant milestone is successfully achieved. Where no payment plan is in place, payment shall take place after successful acceptance of the System, subject to payment terms of 30 days. The Supplier shall have no further claims, particularly to remuneration for other expenses.
- 6.2 Partial payment: Any partial payment by DRÄXLMAIER is not deemed to constitute acceptance or partial acceptance pursuant to Sec. 7 hereof.

7. Acceptance

- 7.1 Subject matter of acceptance: The development process concludes upon the delivery of the complete System to DRÄXLMAIER and acceptance thereof by DRÄXLMAIER. The subject of the acceptance procedure is the performance capacity of the System as owed in accordance with the performance specifications. Acceptance requires a written acceptance record.
- 7.2 Prerequisites for acceptance: For acceptance to take place, the Supplier must provide all Work Product to DRÄXLMAIER and notify DRÄXLMAIER that it is ready for the acceptance procedure. DRÄXLMAIER shall then perform an acceptance review. However, inspections and reviews of interim results performed by DRÄXLMAIER do not constitute acceptance.
- 7.3 Acceptance with reservations: If the System is suitable for acceptance, DRÄXLMAIER shall declare its acceptance of the System, where necessary subject to any rights with regard to remaining defects that still exist and can be remedied. Any remaining defects identified during the acceptance process that can be remedied must be remedied by the Supplier within a reasonable time limit set by DRÄXLMAIER. Nothing herein shall affect any further statutory claims regarding defects after acceptance.
- 7.4 System not suitable for acceptance: If the System is not suitable for acceptance, DRÄXLMAIER shall demand that the Supplier perform as agreed, setting a reasonable time limit therefor. If this cannot be achieved within the time limit set, or if, in an exceptional case, there is no need to set a time limit, for example because performance is impossible or the Supplier refuses to perform, DRÄXLMAIER is permitted to assert the rights to which it is entitled by law, particularly to revoke the agreement and to demand damages if the Supplier has culpably violated an obligation.
- 7.5 Partial acceptance: If DRÄXLMAIER and the Supplier agree on partial acceptance, such partial acceptance is subject to overall acceptance. Implied or notional acceptance is excluded.

8. Warranty

- 8.1 Freedom from defects: The Supplier warrants that its Development Services and the System are free of defects, the agreed specifications have been and will be observed, and these items will be suitable for the use stipulated pursuant to the agreement.
- 8.2 Warranty rights: If there is a defect, DRÄXLMAIER is permitted in particular to demand that the Supplier effect a cure at its own expense (including any transportation, travel, material, and labor costs) or to reduce the remuneration paid for the defective performance or revoke the agreement. Nothing herein shall affect any further statutory claims.

- 8.3 Claims regarding materials defects: Claims regarding material defects shall become time-barred three years after acceptance of the Development Services.
- 8.4 Claims regarding legal defects: Claims regarding legal defects shall become time-barred three years after the end of the year in which DRÄXLMAIER has become aware of the circumstances giving rise to the claim or should have become aware thereof if not for gross negligence, and in any event, irrespective of DRÄXLMAIER's knowledge or grossly negligent lack of knowledge thereof, no later than ten years after the acceptance of the Development Services.
- 8.5 Obligation of notification: The Supplier undertakes to notify DRÄXLMAIER in written form without delay (including after final delivery) if any indications emerge that a quality problem could be arising with regard to the Development Services or the System.

9. Liability

- 9.1 Scope of liability: The Supplier is liable for all liabilities, damages, costs, expenses (including court and legal costs) and losses incurred by DRÄXLMAIER or the DRÄXLMAIER Group as a result of the System being defective. To the extent that the applicable provisions of law stipulate that fault is required for liability, nothing herein shall affect these statutory requirements. Liability is excluded to the extent that the relevant damage is attributable to fault on the part of DRÄXLMAIER.
- 9.2 Claims of third parties: DRÄXLMAIER shall notify the Supplier – to the extent possible and reasonable – of the content and scope of the claims asserted by third parties and the measures taken to avert damage and shall give the Supplier an opportunity to state its position. The Supplier shall support DRÄXLMAIER in clarifying and defending against the claims asserted by third parties to a reasonable extent where DRÄXLMAIER so requests.
- 9.3 Other rights: Nothing herein shall affect any further statutory or contractual claims of DRÄXLMAIER.

10. Confidentiality

- 10.1 Trade secrets: Without prejudice to the provisions of Sec. 5, the DRÄXLMAIER and the Supplier undertake to treat all confidential information as trade secrets.
- 10.2 Confidential information: "Confidential information" means any and all information, documents or data concerning the relevant other Party that is or are exchanged between, provided by, or otherwise become or becomes known to DRÄXLMAIER and the Supplier on the occasion of the development of the System or information of the respective owner that is otherwise embodied and is designated as confidential or should be viewed as confidential according to the nature of the information or the circumstances of transmission thereof.
- 10.3 Obligation of confidentiality: Confidential information must be used only for the purpose of performing the Development Services. It must be treated as confidential during the term of the development and for a further five years after termination of the Development Services, not disclosed to third parties, and subjected to at least the same measures that the receiving Party takes to protect its own confidential information.
- 10.4 Exceptions: The obligation of confidentiality does not apply to confidential information that, at the time when it is provided, (i) is public knowledge, (ii) is already lawfully in the receiving Party's possession, or (iii) has been disclosed in a legally permissible manner by third parties, or (iv) that the receiving Party is obligated to disclose by reason of a decision or order issued by a government entity. In the cases covered by alternative (iv) above, the Party providing the information must be notified without delay.
- 10.5 Required knowledge: Confidential information may be disclosed to employees, subcontractors, Affiliates, and customers that or who require knowledge thereof in order to perform the Development Services, provided that the relevant recipient is subject to an obligation of confidentiality comparable to that contained in this Sec. 10.
- 10.6 Non-disclosure agreement: Where a non-disclosure agreement has been entered into between DRÄXLMAIER and the Supplier, such agreement takes precedence over the provisions of this Sec. 10.

11. Termination of agreement

- 11.1 Term of agreement: Unless otherwise agreed, the relevant development agreement terminates upon fulfillment of the contractual obligations.
- 11.2 Ordinary termination: DRÄXLMAIER is permitted to terminate the relevant development agreement by way of ordinary termination at any time upon four weeks' notice. The Supplier shall be remunerated for the necessary time, effort, and expense already incurred plus the follow-up costs, up to the amount of the development costs at the most. There is no lump-sum claim to the entire agreed remuneration. The Supplier is obligated to keep the sums to be reimbursed by DRÄXLMAIER according to this Sec. 11.2 to a minimum. If the Supplier is responsible for the termination, it has no claim to remuneration.

- 11.3 Impairment of competitiveness: If the Supplier's competitiveness, viewed overall with regard to quality, price, technology, and/or on-time performance, is significantly impaired, DRÄXLMAIER is entitled to terminate the development agreement upon one month's written notice, effective as of the end of the month. The Supplier has no claims against DRÄXLMAIER arising from the termination of the development agreement.
- 11.4 Termination for good cause: Nothing in the provisions of Sec. 11.2 and 11.3 shall affect the rights of the Parties to terminate the Agreement for good cause. Good cause for termination includes but is not limited to (i) violation of essential contractual obligations by the Supplier; in the case of a violation that can be remedied, however, only after a request has been issued to the Supplier to remedy the violation within a two-week time limit and this time limit has elapsed fruitlessly; (ii) any change in the Supplier's shareholding circumstances that leads to a controlling interest in the Supplier being held by a competitor of DRÄXLMAIER; or (iii) a disruption in performance caused by *force majeure* that lasts longer than two months.
- 11.5 Special reasons: DRÄXLMAIER is moreover entitled to terminate the Agreement by way of extraordinary termination with immediate effect if (i) a significant deterioration of the Supplier's financial circumstances occurs or threatens to occur and the fulfillment of the Development Services toward DRÄXLMAIER is jeopardized as a result; or (ii) the Supplier or any of its subcontractors violates the principles contained in Sec. 14 hereof and no remediation of the violation of an obligation takes place despite the possibility of so doing and after the setting of a reasonable time limit therefor.
- 11.6 Continued application of individual provisions: If the content of individual provisions of these Terms Exclusive extends beyond the termination of the agreement, the relevant sections of these Terms Exclusive shall remain in effect even after the agreement is terminated. This applies in particular to the provisions of Sec. 5 (development result and industrial property rights) and Sec. 10 (confidentiality).

12. Exclusivity

- 12.1 Exclusivity: The System shall be produced exclusively by DRÄXLMAIER and Affiliates of DRÄXLMAIER or by a third party designated by DRÄXLMAIER and shall be sold by DRÄXLMAIER and Affiliates of DRÄXLMAIER. The Supplier undertakes not to perform any services for third parties, particularly OEMs or Tier 1 suppliers, in relation to the development and production of the System until the research and development that have been commissioned are concluded. The same applies to any development cooperation.
- 12.2 Term: The Supplier moreover undertakes, for a term of seven years from the time when the System is first supplied to a customer in a series-produced DRÄXLMAIER product, not to exploit the System itself or grant third parties rights to the System or the intellectual property rights contained therein for the purpose of exploitation or supply any product for use in series production to third parties in the automotive sector where such product contains the System developed within the scope of the relevant development agreement.
- 12.3 Granting of rights of use: Following the term stipulated in Sec. 12.2, DRÄXLMAIER shall grant the Supplier non-exclusive rights of use with regard to the System for purposes of exploitation. The Supplier must notify DRÄXLMAIER of its intention to use these and must enter into an agreement regarding the use and remuneration with DRÄXLMAIER.
- 12.4 Affiliates of DRÄXLMAIER: Affiliates of DRÄXLMAIER are not deemed to constitute "third parties" for the purposes of this Sec. 12.

13. Subcontracting and supply chain

- 13.1 Consent: Subcontracting by the Supplier is permitted only with DRÄXLMAIER's prior consent, which may be refused if essential interests of DRÄXLMAIER are jeopardized. Consent may be granted conditionally and is revocable.
- 13.2 Notional consent: If the Supplier subcontracts with an Affiliate, DRÄXLMAIER must be notified thereof in written form. If DRÄXLMAIER does not object to such subcontracting for reasons relating to its legitimate interests within 30 calendar days after notification thereof, consent is deemed to have been granted from the outset.
- 13.3 Requirement of imposition of obligations: Obligations must be imposed on subcontractors of the Supplier such that compliance with the Supplier's obligations toward DRÄXLMAIER is ensured at all times.
- 13.4 Obligation of disclosure: The Supplier must disclose to DRÄXLMAIER upon request at any time, across the entire supply chain, which subcontractors are and have been used.
- 13.5 Grounds for termination: In the event of subcontracting, the Supplier remains responsible in full for the performance of the Development Services. The Supplier must assume responsibility for fault on the part of the subcontractor as if such fault existed on the Supplier's own part. Any violation of this Sec. 13 constitutes good cause that entitles DRÄXLMAIER to terminate the development agreement with immediate effect.

14. Compliance

- 14.1 Compliance with legal provisions: All legal provisions and industry standards applicable to the Supplier's performance must be observed; this also includes provisions concerning the supply chain and those in the location of development and that of the Supplier's registered office.
- 14.2 Supply chain: If, within the scope of the rights of review pursuant to Sec. 3.10, DRÄXLMAIER identifies a risk with regard to compliance with regulations concerning the supply chain at the Supplier's end, DRÄXLMAIER is entitled, in addition to the provisions of these Terms Exclusive, to demand a contractual warranty that the Supplier is complying with all legal provisions concerning the supply chain, particularly with regard to human rights and the environment, and that it undertakes to engage in training and continuing education to enforce this contractual warranty and to implement risk-based controls. The Supplier undertakes to cooperate with DRÄXLMAIER in every respect to prevent violations of the specifications concerning the supply chain and take reasonable corrective action.
- 14.3 Good conduct: Any and all forms of money laundering, corruption, and bribery by the Supplier, whether on the giving or receiving side and whether direct or indirect, are prohibited. Involvement in human trafficking, child labor, or forced labor will not be tolerated. The Supplier's business practices must not contribute to any violation of human rights.
- 14.4 Treatment of employees: The applicable laws relating to minimum wage, working hours, and occupational safety and health must be observed. Discrimination in hiring and employment must be prevented and counteracted. The working conditions of the employees assigned to work must be at least in accordance with the conventions of the International Labour Organization (ILO).
- 14.5 Sustainability code for business partners and code of conduct: The applicable sustainability code for business partners and the code of conduct of the DRÄXLMAIER Group, accessible at <http://www.draexlmaier.com/supplier-portal.html>, must be observed.
- 14.6 Consequences in the event of violations: Any violation by the Supplier or any of its subcontractors against the principles contained in this Sec. 14 shall entitle DRÄXLMAIER to terminate the relevant development agreement, without prejudice to any further rights. To the extent that it is possible to remedy the violation of an obligation, termination is, however, possible only after a reasonable time limit has elapsed fruitlessly. The DRÄXLMAIER Group must moreover be indemnified and held harmless against any and all claims, damages, costs, and expenses (including reasonable legal costs) in connection with any violation.

15. Data protection and information security

- 15.1 Data protection: The Parties shall comply with all applicable laws and regulations for the protection of personal data. To the extent necessary, the Parties shall enter into supplementary agreements with regard to the processing of such data.
- 15.2 Information security: The Supplier is obligated to take reasonable technical and organizational measures in line with industry standards to ensure the availability, integrity, and confidentiality of those of the Partner's information systems that are used within the scope of the performance of services and the data provided or made accessible to it, e.g., in keeping with ISO/IEC 27001 ("information technology – security techniques – information security management systems – requirements") or within the scope of a certification pursuant to the "TISAX" ("Trusted Information Security Assessment Exchange") model of the German Association of the Automotive Industry [*Verband der Automobilindustrie* (VDA)]. These requirements also apply to the Supplier's communications with DRÄXLMAIER and the entire DRÄXLMAIER Group, irrespective of the relevant communication channel.

16. Force majeure

- 16.1 Force majeure: Events of *force majeure* include embargoes, natural disasters, uprisings, wars, epidemics and pandemics, sabotage, strikes, unforeseeable government and official measures, and comparable events to the extent that the event in question has a severe impact on the performance obligations and cannot be averted by suitable and reasonable measures by the affected Party. Distortions or disruptions in the supply chain that are caused by an event of *force majeure* but do not affect the performance relationship with DRÄXLMAIER unless and until further events and considerations within the supply chain (particularly of a commercial nature) are added thereto do not, however, constitute *force majeure*.
- 16.2 Effects: In cases of *force majeure*, the Party affected thereby is released from its obligation to perform for the duration of, and within the scope of, the effects of the *force majeure*. The Supplier is obligated to notify DRÄXLMAIER without delay if an event of *force majeure* occurs. The Parties shall then strive to adjust their performance obligations accordingly within reason for the duration of the *force majeure*.

16.3 Right of termination: If the disruption in performance caused by the *force majeure* persists for longer than two months, DRÄXLMAIER is entitled to terminate the development agreement affected by *force majeure* by way of extraordinary termination without liability toward the Supplier being established thereby.

17. Insurance

Insurance coverage: Considering the risks inherent in its services and the System, the Supplier must secure and maintain appropriate global insurance coverage as customary in the automotive industry (particularly business liability and product liability insurance) with regard to its obligations under the respective development agreement and must provide proof of such insurance upon request.

18. Miscellaneous provisions

18.1 Rights of retention: Performance can only be withheld where counterclaims of the Supplier have been established with final, binding legal force or acknowledged or are undisputed, to the extent that these are not based on the same legal relationship.

18.2 Assignment: Assignment of rights and obligations arising from the development agreement in whole or in part requires DRÄXLMAIER's prior written consent; assignment of the rights and obligations of DRÄXLMAIER within the DRÄXLMAIER Group is permissible.

18.3 Severability: Individual invalid provisions shall not affect the validity of the remaining provisions of these Terms Exclusive; the invalid provisions must be replaced by the DRÄXLMAIER and the Supplier with a provision that is congruent with the original provision's economic intent. The same applies in the event of a gap in the provisions hereof.

18.4 Applicable law: Exclusively the laws of Germany apply, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

18.5 Sole place of jurisdiction: The sole place of jurisdiction for all disputes arising out of or on the occasion of the development agreement is Landshut. Legal action can also be brought against each Party in that Party's general place of jurisdiction.