

DRÄXLMAIER Group General Terms and Conditions of Purchase for Production Materials (EMEA)

Revision 2, dated June 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 Terms and Conditions of Purchase 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 supply of production materials, i.e., goods that are used in a product for a motor vehicle or another product (“Delivery Item”). “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 as well as, with regard to the DRÄXLMAIER Group, the companies that are part of the larger DRÄXLMAIER Group alliance pursuant to Annex 1.
- 1.2 **Exclusivity:** General terms and conditions of the Supplier that conflict with or deviate from these Terms and Conditions of Purchase do not apply, even if they have not been expressly rejected or deliveries have been accepted without reservation while knowing of terms and conditions of the Supplier that conflict with or deviate from these Terms and Conditions of Purchase.
- 1.3 **Parties:** Unless otherwise agreed, “Supplier” for the purposes of these Terms and Conditions of Purchase means the company from which DRÄXLMAIER requests deliveries specified by amount, delivery time, and delivery location. These Terms and Conditions of Purchase must moreover be observed by all affiliates of the Supplier to the extent that these are involved in the purchasing process.
- 1.4 **Order of precedence:** Agreements entered into by mutual agreement in the individual case that meet the written form requirement pursuant to Sec. 2.1 hereof shall take precedence over these Terms and Conditions of Purchase. This also applies to provisions contained in possible framework agreements that incorporate these Terms and Conditions of Purchase by reference. In the event of any conflict between the provisions of the supplementary terms and conditions and codices incorporated by reference and the provisions of these Terms and Conditions of Purchase, the provisions of these Terms and Conditions of Purchase shall take precedence.

2. Entry into agreement; amendments

- 2.1 **Form of entry into agreement:** Agreements, orders, and delivery orders 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 EDI, remote data transmission, or SAP or via an e-sourcing portal provided by DRÄXLMAIER. Orders and delivery orders are considered to have been confirmed by the Supplier if the Supplier does not object to the relevant order or delivery order in written form within three working days after receiving it. An objection is only possible subject to the prerequisites set out in Sec. 3.4 hereof. In case of doubt regarding the content of a declaration, the agreement comes into existence no later than upon the start of performance of the delivery.
- 2.2 **Oral agreements; contractual amendments and addenda:** Amendments and addenda to the relevant supply agreement or these Terms and Conditions of Purchase as well as agreements concerning the Delivery Item 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.
- 2.3 **Changes to the Delivery Item:** The Supplier is obligated to make changes to the Delivery Item within reason, particularly with regard to the design and execution thereof. The effects thereof on costs and deadlines must be communicated to DRÄXLMAIER before the change is implemented and stipulated by mutual agreement with DRÄXLMAIER.

3. Volume planning; capacity; supply of replacement parts

- 3.1 **Orders and delivery orders:** The only quantities binding on DRÄXLMAIER are those set down in orders and delivery orders. Any forecast quantities communicated beyond that serve merely for purposes of planning between the Parties unless otherwise provided for the Delivery Item based on the General Terms and Conditions of Logistics for Production Materials of the DRÄXLMAIER Group, which are accessible at <https://www.draexlmaier.com/supplier-portal/agbs>, or individual logistics agreements.

- 3.2 **Approval of materials; approval for production:** Where DRÄXLMAIER issues approval of materials and approval for production for finished and raw materials that may still vary with regard to the specific time of delivery, a binding procedure for acceptance thereof that takes place also includes materials procured in keeping with the approval and Delivery Items that are in the production process.
- 3.3 **Forecast planning:** Unless otherwise provided in the General Terms and Conditions of Logistics for Production Materials or individual logistics agreements, forecast quantities are considered to be confirmed by the Supplier unless it objects to the relevant forecast planning in written form within three working days after receiving it.
- 3.4 **Capacity:** The Supplier undertakes to ensure the necessary capacity in order to be able to fulfill the quantities mentioned upon initial commissioning and in orders and delivery orders, including forecast planning. The Supplier is obligated to accept the relevant delivery order / order and to serve it on time as of the deadlines mentioned therein unless it deviates by more than +20% from the forecast planning communicated. Delivery deadlines and quantities that exceed the +20% are considered to be confirmed if no objection is made thereto within three working days or an agreed time limit.
- 3.5 **Replacement parts supply:** The Supplier is obligated to supply the Delivery Item or, if the Delivery Item can no longer be produced at levels of time, effort, and expense that are reasonable with economically justifiable effort, an appropriate substitute to DRÄXLMAIER, including for a term of 15 years after the end of series production of the product in which the Delivery Item is used. Any costs for qualification or re-sampling must be borne by the Supplier. For a term of five years after the termination of series production, the price agreed for the Delivery Item for the term of series production continues to apply, plus – where agreed – any special costs of logistics and packaging. After the end of this period, the Parties shall renegotiate the price for the Delivery Item.
- 3.6 **Buildup of final inventory:** In due time before the end of the period warranted in Sec. 3.5 hereof for the supply of replacement parts, the Supplier shall grant DRÄXLMAIER the opportunity to build final inventory.
- 4. Delivery location; delivery deadlines and time limits**
- 4.1 **Delivery location:** Deliveries shall take place in accordance with the agreed Incoterms®, in the then-applicable version thereof.
- 4.2 **Delivery deadlines and time limits:** The delivery deadlines and time limits indicated by DRÄXLMAIER in the order or delivery order are binding. The time when the Delivery Item is received by the plant to be supplied shall be decisive for determining whether the delivery deadline or delivery time limit has been observed. The Supplier shall ship or provide the Delivery Item in due time, taking into account the customary time needed for loading and shipping.
- 4.3 **Late delivery:** If the Supplier expects to be unable to observe agreed delivery deadlines and time limits or delivery quantities, it shall notify DRÄXLMAIER thereof in writing without delay, stating the reasons, the expected duration of the delay and the effects thereof, and the measures suitable to avert it. Acceptance of a late delivery without reservations does not constitute any waiver by DRÄXLMAIER of rights with regard to the late delivery. In the event of late delivery, the Supplier must compensate DRÄXLMAIER for the damages, costs, and expenses incurred as a result thereof. Nothing herein shall affect any statutory claims.
- 4.4 **Early/partial delivery:** Early delivery or partial delivery is permitted only if this has been expressly agreed beforehand. Otherwise, DRÄXLMAIER has the right to return the delivery, or to place it in storage, at the Supplier's expense and risk. Should DRÄXLMAIER accept the early delivery, the agreed delivery deadline shall be decisive in calculating the payment terms.
- 5. Packaging and shipping**
- 5.1 **Packaging and shipping:** The Delivery Item must be packed and labeled properly. All laws and regulations applicable to transportation must be observed. The General Terms and Conditions of Logistics for Production Materials of the DRÄXLMAIER Group, which are accessible at <https://www.draexlmaier.com/supplier-portal.agbs>, apply in addition to the foregoing.
- 5.2 **Documents:** Beyond that, the Supplier must provide all documents and other information that are required pursuant to customs regulations or other laws and regulations in their entirety. This includes but is not limited to customs duty drawback documents, proof of origin, and any and all other information relating to the origin of the Delivery Item and materials contained therein from the perspective of trade law or the law of preferential status.
- 6. Prices and payment terms**
- 6.1 **Fixed price principle:** Agreed prices are fixed prices. They do not include value-added tax (VAT). The Supplier is not entitled to adjust prices and/or charge additional costs of any nature whatsoever without DRÄXLMAIER's express prior consent.

- 6.2 **Applicability of prices:** In the event of a limited-term price agreement, the Parties shall enter into new price negotiations in due time and in earnest. If the Parties have not reached a new price agreement by the end of the term of a limited-term price agreement, the price agreement that most recently existed shall continue to apply unchanged at first. The obligation to engage in price negotiations pursuant to the first sentence above shall remain in force even after the end of the term of a limited-term price agreement. If the Parties have been unable to reach a new price agreement by 12 months after the end of the term of the limited-term price agreement, each Party is entitled to terminate the supply agreement upon 12 months' notice. Subject to the provisions of Sec. 19 hereof, the Parties agree that an unlimited-term price agreement is valid until the end of series production of the relevant Delivery Item by DRÄXLMAIER.
- 6.3 **Invoice requirements:** Invoices must be in accordance with the then-applicable statutory provisions and must, in particular, contain the VAT identification number or tax identification number, the quantity and nature of the goods billed, the date of provision of the goods or services, and the supplier and order number. Dispatch must take place according to the specifications of DRÄXLMAIER, which are accessible at <https://www.draexlmaier.com/supplier-portal/agbs>, to the following e-mail address: [SharedServices.info@draexlmaier.de]. Further documents required for tax purposes must be enclosed. Invoices of the Supplier shall fall due for payment only if these requirements are met and a full delivery has been made.
- 6.4 **Settlement of payment:** Unless otherwise agreed, invoices shall be settled in euros by way of funds transfer or credit memo procedure. Unless a specific agreement has been reached, invoices shall be paid within 60 days from the time at which the claim to remuneration falls due and both the invoice and the full delivery have been received.
- 6.5 **Partial withholding of payment:** Deliveries that are erroneous or incomplete shall justify the withholding of an equivalent part of the payment until the time of proper performance.
- 6.6 **Setoff:** DRÄXLMAIER is entitled to offset claims of its own against an Affiliate of the Supplier or claims of an Affiliate of the DRÄXLMAIER Group against the Supplier or an Affiliate of the Supplier that are due and payable against claims of the Supplier. Nothing herein shall affect any statutory rights of setoff. The Supplier is entitled to offset claims of its own that are undisputed or have been acknowledged or established with final, binding legal force.
- 7. Retention of title and means of production**
- 7.1 **Retention of title:** Retention of title by the Supplier beyond simple retention of title is excluded. However, DRÄXLMAIER is, in all cases, entitled to resell the Delivery Item in the ordinary course of business. If the Supplier has retained title to the Delivery Items, this reservation applies only until such time as the Delivery Items have been paid for unless DRÄXLMAIER has already become the owner thereof through processing, mixing, or combining thereof.
- 7.2 **Means of production:** Models, matrices, templates, samples, design data, specifications, tools, and other means of production that are provided to the Supplier by DRÄXLMAIER or a company of the DRÄXLMAIER Group or paid for in full by the latter ("Means of Production") shall be used exclusively for the production of the Delivery Item and must not be used for deliveries to third parties or provided to third parties except with prior written consent. These shall be labeled in a readily apparent fashion as the property of DRÄXLMAIER/the DRÄXLMAIER Group, kept safe and kept in good condition during the term for which they are provided and shall be replaced in the event of loss or damage. The Supplier shall grant DRÄXLMAIER access to the Means of Production at any time upon prior notice in order to check the condition and continued existence thereof. DRÄXLMAIER is entitled to demand the surrender of the Means of Production at any time, following termination of the agreement or at the time at which the Supplier cannot deliver, where this is a more than temporary condition or a permanent one. In this regard, the Supplier waives the right to assert rights of retention or other opposing rights unless it has counterclaims that are undisputed or have been determined with final, binding legal force and arise from the same contractual relationship.
- 8. Quality; reporting of defects**
- 8.1 **Quality:** The Supplier shall observe the latest state of the art in developing and producing the Delivery Item and shall comply with all quality standards, all legal provisions applicable in the destination countries agreed with DRÄXLMAIER or stipulated pursuant to the agreement so that the Delivery Item is marketable there, and all other requirements (e.g., customer requirements that have been communicated and the "DRÄXLMAIER Terms and Conditions of Quality for Production Materials," which are accessible at <https://www.draexlmaier.com/supplier-portal/agbs>). The Supplier shall ensure in particular that the statutory requirements with regard to production, particular quality, conformity assessments, labeling, and accompanying documentation/information are satisfied. The Supplier shall meet all requirements in order to conclude the material approval process of DRÄXLMAIER and DRÄXLMAIER's customers on time. Subject to other instructions from DRÄXLMAIER, the Supplier shall examine the Delivery Item prior to delivery and record the results of such examination in a suitable form to ensure that the Delivery Items are delivered free of defects. The storage of these records and the examination of Delivery Items are subject to the relevant provisions and accompanying documents of the "DRÄXLMAIER Terms and Conditions of Quality for Production Materials."

8.2 Reporting of defects: DRÄXLMAIER shall check the goods upon receipt only with regard to outwardly visible transportation damage, the unit quantity of the containers according to the manifest, and discrepancies in the identity of the Delivery Items delivered compared to those designated in the delivery documents and shall complain of any such defects without delay. In all other respects, DRÄXLMAIER shall complain of defects in the delivery as soon as they have been identified in the ordinary course of DRÄXLMAIER's business. The Supplier waives the right to object that complaints regarding defects are submitted late in this regard.

9. Rights concerning defects

9.1 Freedom from defects: The Supplier warrants that the Delivery Item is free of defects, the agreed specifications have been and will be observed, these items are suitable for the use stipulated pursuant to the supply agreement, and all provisions referenced in Sec. 16.1 have been observed.

9.2 Defects prior to shipping to DRÄXLMAIER customers: If a defect is discovered before the Delivery Item leaves the production site of DRÄXLMAIER or a company commissioned by DRÄXLMAIER, the Supplier shall be given the opportunity, at DRÄXLMAIER's discretion, to remedy the defect ("cure") or replace the defective goods ("replacement delivery"), provided that this does not lead to any delay in production at DRÄXLMAIER's end. If DRÄXLMAIER cannot reasonably be expected to grant the Supplier the right to effect a cure or replacement delivery, particularly based on the production process or the expected delay, or if the Supplier is unable to do so, DRÄXLMAIER is entitled to remedy the defect itself or have it remedied by a third party, or to return the defective goods or have them scrapped, at the Supplier's expense.

9.3 Defects after shipping to DRÄXLMAIER customers: If a defect is discovered after the Delivery Item leaves the production site of DRÄXLMAIER or a company commissioned by DRÄXLMAIER, the Supplier must compensate DRÄXLMAIER and all companies of the DRÄXLMAIER Group involved in the resale process for any and all damages incurred by DRÄXLMAIER and the DRÄXLMAIER Group as a result of the delivery of the defective Delivery Item. Based on the production process (JIT, JIS) customarily used by customers of the DRÄXLMAIER Group, DRÄXLMAIER shall typically choose replacement delivery if there is any defect. A right to effect a cure can be granted only if the Delivery Item is still in the possession of DRÄXLMAIER's customer, if this is compatible with the production process, and if the customer itself agrees to a cure being effected by the Supplier. Components can be provided to the Supplier only to the extent that DRÄXLMAIER itself has these at its disposal.

9.4 Responsibility for costs: In the event of a defect in the Delivery Item, the Supplier must bear not only the costs of the cure and/or replacement delivery, but also the costs of transportation, travel, labor, installation, dismantling and removal, and materials. The Supplier must moreover provide compensation for other damages and costs for which compensation is due pursuant to Sec. 9.3 and 9.2, including the costs of damaged other components and those costs and expenses that DRÄXLMAIER was reasonably permitted to incur in the course of assessing the defect (such as additional sorting and checks of goods upon receipt, examination and analysis, costs of external service providers or specialists of DRÄXLMAIER or the customer), unless the Supplier is not responsible for the defect in question.

9.5 Warranty periods: Claims regarding defects shall become time-barred for Delivery Items after a period of 66 months, starting with delivery. Deviation from the foregoing time limits is permitted by individual agreement if this is appropriate based on the specifics of the Delivery Item, for example in the case of high-voltage products or Delivery Items for which customer-specific specifications that deviate therefrom exist.

9.6 High-voltage products: For Delivery Items that are installed in high-voltage products of the customers, an industry standard warranty period of 96 months applies, starting with the initial registration of the vehicle or replacement part installation.

9.7 Reference market procedure: The Supplier is aware that the customers of the DRÄXLMAIER Group (particularly OEMs) may assert and settle claims for damages, costs, and expenses arising from the delivery of defective products in part on the basis of reference market models / spot checks / factors and lump-sum damages. DRÄXLMAIER is entitled to pass through the damages, costs, and expenses calculated in this manner for the relevant customer to the Supplier unless the Supplier is not responsible for the defect in the products delivered or the sums calculated in this manner are not standard within the industry and are not appropriate and do not reflect the sums customary in the relevant local market.

10. Liability

10.1 Liability: Unless otherwise agreed, 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 delivery of a defective Delivery Item or other violation of duties of the seller. To the extent that the applicable provisions of law stipulate that fault is required for liability, nothing herein shall affect these statutory requirements.

10.2 Product liability; product recalls: In the event that any claims are asserted in or out of court against a company of the DRÄXLMAIER Group by third parties based on a fatality or on property damage or personal injury arising as a result

of a defect in the Delivery Item or other misconduct on the part of the Supplier, the Supplier must indemnify and hold harmless the relevant company within the DRÄXLMAIER Group from and against liabilities, damages, costs, expenses (including court and legal costs) and losses incurred as a result thereof unless the cause was not within the Supplier's sphere of control and organization. The same applies to recalls conducted based on statutory provisions or in coordination with government authorities with regard to the Delivery Item itself or products in which the Delivery Item was installed.

- 10.3 Measures to avert damages: The Supplier is obligated to provide compensation for expenses, costs, and damages (including court and legal costs) incurred by a company of the DRÄXLMAIER Group for measures to avert damages that do not constitute recalls unless the measure is not based on the Delivery Item being defective or on another violation of an obligation by the Supplier. Nothing herein shall affect liability pursuant to Sec. 10.1 of these Terms and Conditions of Purchase.
- 10.4 Notification and support: 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 damages 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.
- 10.5 Other rights: Nothing herein shall affect any further statutory or contractual claims of DRÄXLMAIER.

11. Insurance

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

12. Industrial property rights

- 12.1 Reservation of use: Rights of ownership and copyright to drawings, illustrations, calculations, and other documentation (“Documentation”) provided to the Supplier by DRÄXLMAIER shall rest with DRÄXLMAIER and are provided to the Supplier only temporarily for the term of the supply relationship. Documentation must not be used for other than project purposes or reproduced or made accessible to third parties except with the prior written consent of DRÄXLMAIER.
- 12.2 Obligation of return: Documentation must be returned to DRÄXLMAIER unsolicited after the conclusion of the project. DRÄXLMAIER may demand the surrender of the Documentation at any time, particularly after the agreement is terminated.
- 12.3 Third-party industrial property rights: The Supplier is obligated to ensure that in connection with the provision of goods and services and with the production process and the use of the Delivery Item by DRÄXLMAIER or customers of DRÄXLMAIER as intended, no rights, patents, or other industrial property rights of third parties, including applications for industrial property rights (collectively “Industrial Property Rights”), are infringed in Germany or other countries. At DRÄXLMAIER's request, the Supplier is obligated to confirm that a proper Industrial Property Right search was performed and must prove this by presenting suitable documents.
- 12.4 Infringement of Industrial Property Rights: In the event that 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 it for expenses, damages, and costs (including legal costs) unless the cause was not within the Supplier's sphere of control and organization. This is deemed to be the case in particular if the Supplier has produced the Delivery Item in accordance with detailed drawings or models provided by DRÄXLMAIER and does not know, nor should it know in connection with the products developed by it, that Industrial Property Rights are infringed thereby.
- 12.5 Contract development: Where the Supplier performs development work with regard to the Delivery Item or Means of Production (particularly tools), the Terms and Conditions of Purchase for Development Services agreed in each case, which are accessible at <https://www.draexlmaier.com/supplier-portal/agbs>, apply. If separate agreements are entered into for the development services, these shall take precedence.
- 12.6 Rights of use of integrated software: Unless otherwise agreed, DRÄXLMAIER shall receive with regard to individual and standard software that pertains to/is integrated into the Delivery Item a non-exclusive, transferable, and irrevocable right of use, without limitation in terms of time, territory, or content, free of charge for all uses. The permissible use includes but is not limited to reproduction, loading, and running such software and sublicensing, leasing, or other forms of provision thereof to Affiliates of DRÄXLMAIER and subcontractors that are commissioned to produce, in whole or in part, the product in which the Delivery Item is used and require a right to use the software. Beyond that, providing the software as a component of the product to be supplied to customers of DRÄXLMAIER and granting rights of use with regard to the software, to the extent that this is necessary in order to use the product, are allowed.

13. Audit rights

- 13.1 Rights of review: DRÄXLMAIER is entitled to review compliance with the requirements arising from the supply agreement and, in particular, from Sec. 8.1, 16 and 17 of these Terms and Conditions of Purchase on the Supplier's premises and those of third parties commissioned by the Supplier. These reviews must be performed during the customary business hours and must be announced by DRÄXLMAIER with reasonable lead time of not less than two working days. Advance notice is not required in urgent emergencies.
- 13.2 Access: Upon request, the Supplier shall provide DRÄXLMAIER, within the scope permissible by law, with comprehensive information and grant it the right to inspect relevant documents and systems and, where necessary, physical access to its business premises. The Supplier shall work to ensure that third parties with which the Supplier subcontracts with regard to the Delivery Item grant comparable rights, and in any event enable, at the least, a review by the Supplier in the presence of DRÄXLMAIER.

14. Force majeure

- 14.1 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 (such as preventive risk, material, and supplier management) 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 supply 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*.
- 14.2 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 in writing without delay if an event of *force majeure* occurs and must demonstrate whether, and if so how, the specific case of *force majeure* will affect the supply relationship with DRÄXLMAIER. The Parties shall then strive to adjust their performance obligations accordingly within reason for the duration of the *force majeure*.
- 14.3 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 supply agreement affected by *force majeure* by way of extraordinary termination, without this establishing any liability toward the Supplier or any obligation to acquire raw materials or unfinished goods based on approval of materials and approval for production that was originally granted.

15. Confidentiality

- 15.1 Confidential information: Any and all information, documents, or data that is or are exchanged between or provided by, or otherwise become or becomes known to the Parties on the occasion of the supply agreement is and are deemed to be confidential and must be used only for the purpose of performing the Agreement. The obligation of confidentiality does not apply to information that, at the time when it is provided, is public knowledge, is already lawfully in the receiving Party's possession, or has been disclosed in a legally permissible manner by third parties.
- 15.2 Obligation of confidentiality: Confidential information must be treated as confidential during the term of this Agreement and for a further three years after termination hereof, not disclosed to third parties, and subjected to at least the same measures that the receiving Party takes to protect its own confidential information.
- 15.3 Required knowledge: Confidential information may be disclosed to employees, subcontractors, Affiliates, and customers that or who require knowledge thereof in order to perform the agreements concerning the Delivery Item, provided that the relevant recipient is subject to an obligation of confidentiality comparable to this confidentiality undertaking.
- 15.4 Project-specific 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. 15.

16. Compliance

- 16.1 Compliance with legal provisions: All legal provisions and industry standards applicable to the goods and services provided by the Supplier must be observed; this also includes provisions concerning the supply chain and those in the location of production and delivery, in the sales markets, and in the location of the Supplier's registered office.
- 16.2 Supply chain: If, within the scope of the rights of review pursuant to Sec. 12.6, 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 and Conditions of Purchase, 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.

- 16.3 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.
- 16.4 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).
- 16.5 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.
- 16.6 Consequences in the event of violations: Any violation by the Supplier or any of its suppliers and/or subcontractors against the principles contained in this Sec. 16 shall entitle DRÄXLMAIER to terminate the relevant agreement, without prejudice to any further rights. To the extent that it is possible to remedy the violation of an obligation, this 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.

17. Data protection and information security

- 17.1 Data protection: All applicable laws and regulations on the protection of personal data must be observed. To the extent necessary, the Parties shall enter into supplementary agreements with regard to the processing of such data.
- 17.2 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 Supplier'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.

18. Subcontracting and supply chain

- 18.1 Key partial services: Subcontracting with others for partial services by the Supplier that goes beyond the supply of components or materials to the Supplier is permitted only with DRÄXLMAIER's prior consent, which cannot be refused unreasonably.
- 18.2 Subcontractors: Obligations must be imposed on suppliers and subcontractors of the Supplier such that compliance with the Supplier's obligations toward DRÄXLMAIER is ensured at all times. If the Supplier commissions third parties pursuant to Sec. 18.1, the Supplier remains responsible in full for the Delivery Item and the deliveries.

19. Competitiveness

- 19.1 Principle: It is agreed that the Parties will take all necessary measures to maintain the competitiveness of the Delivery Items.
- 19.2 Comparability: Taking into account an overall evaluation of technology, quality, price, and the security of the supply, the Delivery Items must be at least congruent with comparable products of competitors. Such comparable product must meet DRÄXLMAIER's requirements. Should DRÄXLMAIER receive an offer from an alternative supplier that is more advantageous taking into account an overall evaluation of the criteria mentioned above, DRÄXLMAIER shall notify the Supplier thereof in writing.
- 19.3 Restoration period: The Partner shall then receive the opportunity to improve the four criteria mentioned above through suitable measures within a period of four (4) weeks in order to be able to offer equivalent or better terms to DRÄXLMAIER.

20. Termination of agreement

- 20.1 Termination by the Supplier: Deliveries to DRÄXLMAIER must be ensured considering the Delivery Items and their derivatives over the entire period for which DRÄXLMAIER has requested it of the Supplier. Termination by the Supplier is therefore permitted exclusively by way of extraordinary termination for good cause, taking into account a reasonable phase-out period.

- 20.2 Termination by DRÄXLMAIER: DRÄXLMAIER is entitled to terminate the supply agreement upon six months' notice, provided that the binding commitments made pursuant to Sec. 3 with regard to orders, delivery orders, and approval of materials and approval for production are observed. Nothing herein shall affect any rights to terminate the agreement, including for good cause, that may exist beyond that. DRÄXLMAIER is moreover entitled to terminate the Agreement by way of extraordinary termination with immediate effect if a significant deterioration of the Supplier's financial circumstances occurs or threatens to occur and the fulfillment of a delivery obligation toward DRÄXLMAIER is jeopardized as a result.
- 20.3 Good cause: Good cause for termination includes but is not limited to i) if the customer of DRÄXLMAIER terminates or cancels an agreement concerning the Delivery Item; ii) if the Supplier has not restored competitiveness pursuant to Sec. 19 in due time (within the time limit set by DRÄXLMAIER pursuant to Sec. 19.3); iii) a 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 four-week time limit and this time limit has elapsed fruitlessly; and iv) any change in the Supplier's shareholding circumstances that leads to a controlling interest in the Supplier being held by a competitor of DRÄXLMAIER.
- 20.4 Relocation: In the event of termination of the supply agreement, DRÄXLMAIER is permitted to pass along to third parties, for purposes of producing the Delivery Item, such information as is absolutely necessary in order to produce the quantities that have been promised under the supply agreement, but no longer realized.

21. General provisions

- 21.1 Rights of retention: Goods and services 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.
- 21.2 Prohibition of assignment: Assignment of rights and obligations arising from the 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.
- 21.3 Severability: Individual invalid provisions shall not affect the validity of the remaining provisions of the agreement; the invalid provisions must be replaced by the Parties 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.
- 21.4 Sole place of jurisdiction: Unless otherwise agreed between the Parties, disputes arising out of or on the occasion of the agreement shall be decided by the court with jurisdiction in the location of the headquarters of the company of the DRÄXLMAIER Group that has placed the order/delivery order with the Supplier. Legal action can also be brought against each Party in that Party's general place of jurisdiction.
- 21.5 Applicable law: Unless otherwise agreed between the Parties, solely the laws applicable in the location of the headquarters of the company of the DRÄXLMAIER Group that has placed the order/delivery order with the Supplier shall apply. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

Annex 1:

- SATS Système Automobile et Technique de Siliana S.C.S.
- UATS Union des Ateliers Technique de Sousse S.C.S
- METS Manufacture Electro-Technique de Sousse S.C.S.
- SATE Système Automobile et Technique d'El Jem S.C.S
- Dräxlmaier Electro-Technique De Jemmal S.C.S
- Draexlmaier Automotive Center Tunisia S.C.S.