



General terms and conditions of purchase of Hilite Germany GmbH and affiliated companies

1. Scope of application

- (1) These general terms and conditions of purchase ("GTCP") and the framework agreement ("Global Purchase Agreement" or "GPA") agreed between Hilite and the SUPPLIER and/or a nomination for a series product ("NOMINATION") apply exclusively to all types of orders for goods and services placed by Hilite Germany GmbH ("Hilite") as well as any offers, goods and services accepted by Hilite from suppliers. These GTCP constitute the legal basis for all services provided by the SUPPLIER, including the development, manufacture and delivery of all products developed, manufactured and/or supplied by the SUPPLIER to Hilite or to third parties designated by Hilite ("PRODUCTS"). These GTCP shall apply mutatis mutandis to all orders placed by companies directly or indirectly affiliated with Hilite within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG).
- (2) These GTCP shall also apply to all future transactions between Hilite and the SUPPLIER without the need for an express reference thereto in each individual case. In terms of versions, it is always the latest version of the GTCP and Hilite's Code of Conduct applicable at the time of conclusion of the agreement that shall apply.
- (3) Any general terms and conditions of the SUPPLIER that conflict with or deviate from these GTCP will not be accepted unless Hilite has expressly agreed to their validity in writing. Even if Hilite refers to a letter containing or referring to the terms and conditions of the SUPPLIER or a third party, this shall not be construed as acceptance of these terms and conditions.
- (4) The provisions of the NOMINATION and the provisions of the GPA shall apply in addition to the provisions of this GTCP, in the following order of precedence:
 - the individual NOMINATION provisions for the respective PRODUCT;
 - the GPA provisions; and
 - the provisions of this GTCP
- (5) If there is no NOMINATION and no GPA, the specifications, prices and other conditions stated in the respective delivery order or delivery call-off of Hilite shall apply jointly with the provisions of this GTCP.
- (6) If Hilite has not placed an order, the terms and conditions confirmed in writing by Hilite in the SUPPLIER's offer shall apply to the delivery of the respective PRODUCT. If there is no written confirmation of an offer from the SUPPLIER, the offer will be deemed not to have been accepted. An implied acceptance by Hilite is hereby expressly excluded.

2. Order, conclusion of contract

- (1) Unless the SUPPLIER grants a longer binding period, the SUPPLIER shall be bound to its offers for a period of four weeks from receipt of the written offer by Hilite. If the order from Hilite

constitutes an offer in the legal sense, Hilite will be bound by it for a period of two weeks from the date of the offer, unless otherwise stated.

- (2) The SUPPLIER shall promptly check the order for obvious errors, ambiguities, incompleteness as well as the possible unsuitability of the specifications chosen by Hilite for the intended use and shall point out such points to Hilite before accepting or confirming the order.
- (3) Only orders placed in writing are binding on Hilite; any oral (telephone) agreements require a written confirmation. Hilite employees are not authorized to enter into oral agreements. This also applies to subsequent additions or changes to contracts, including these GTCP.

3. Delivery, performance: General provisions

- (1) The SUPPLIER may only use subcontractors to fulfill its contractual obligations with the prior written consent of Hilite. The SUPPLIER's obligation to perform and the SUPPLIER's liability for its vicarious agents shall remain unaffected by this consent.
- (2) The agreed delivery and performance dates are binding. The delivery dates shall be deemed to have been agreed if they have been specified in the order and the SUPPLIER has not objected to them. As soon as the SUPPLIER becomes aware that an agreed delivery or performance date cannot be met, it shall notify Hilite immediately, stating the reasons for the delay. The parties shall discuss the effects of the missed deadline and possible remedial measures. Unless otherwise agreed, the provisions of the German Civil Code concerning delays shall apply to delays attributable to the SUPPLIER.
- (3) Early deliveries or performance as well as partial deliveries/performance are not permitted unless expressly agreed to by Hilite. The SUPPLIER is not entitled to exceed or fall short of the respective call-off delivery quantity without Hilite's consent.
- (4) Unless otherwise agreed on a case-by-case basis, the SUPPLIER shall bear the procurement risk with respect to its performance.
- (5) The SUPPLIER shall deliver the PRODUCTS at its own risk to a location specified by Hilite in accordance with Hilite's instructions. The risk is transferred when the PRODUCTS are handed over to Hilite or to a third party designated by Hilite at the place of delivery. If acceptance has been contractually agreed, the transfer of risk shall take place upon acceptance by Hilite. The transport costs and the method of transport shall, where necessary, be specified in the NOMINATION or in the DELIVERY CALL-OFF. If no specific agreement has been made, the prices shall be stated ex works, duty paid (DDP in accordance with INCOTERMS 2020), including packaging and excluding VAT.
- (6) Hilite is entitled to change the time and place of delivery or service at any time by giving written notice at least five working days before the agreed delivery or performance date. This does not apply if the change is unreasonable for the SUPPLIER, taking into account Hilite's interests.
- (7) As soon as the SUPPLIER becomes aware that it will not be able to adhere to the delivery or performance dates, it shall notify Hilite of this in writing without delay, stating the expected duration of the delay. This has no effect on the SUPPLIER's obligation to comply with delivery or performance dates.
- (8) In the event of supplier default, Hilite is entitled to demand liquidated damages of 0.3% for each working day of the delay, but no more than a total of 5% of the net price of the delayed delivery/performance. This is without prejudice to the right to seek further damages. While the liquidated damages will not be payable if the SUPPLIER is not responsible for the late delivery, Hilite reserves the right to assert liquidated damages even if it accepts the delayed performance, provided that this declaration is made before payment of the final invoice.

- (9) Hilite will only be in default of acceptance if the SUPPLIER has expressly offered its delivery or performance; this shall also apply if a specific or determinable calendar date has been agreed for an action or cooperation by Hilite.
- (10) The SUPPLIER shall inform Hilite in good time of any preexisting cooperation obligations to ensure that the performance of the order is not delayed as a result. If the SUPPLIER fails to do so, the SUPPLIER will not be entitled to invoke this in the event of any delay in delivery.
- (11) To cover Hilite's additional immediate requirements, the SUPPLIER will, at its own expense and at Hilite's request, keep an agreed quantity of the PRODUCT in stock. At Hilite's request, the SUPPLIER shall deliver PRODUCTS to a Hilite consignment warehouse. The SUPPLIER and Hilite shall negotiate and agree on a consignment warehouse contract based on Hilite's model consignment warehouse contract.
- (12) In case of delivery of items of property, plant and equipment with a net price of at least EUR 10,000.00, the SUPPLIER shall keep spare parts for the products delivered to Hilite for a period of at least 15 years after delivery, but for no longer than the normal useful life of the product. If the SUPPLIER intends to discontinue the production of spare parts for the products delivered to Hilite, except as provided in sentence 1, the SUPPLIER shall notify Hilite of this promptly following the decision to discontinue production, but at least 6 months before the discontinuation of production and enable Hilite to order an appropriate remaining stock.

4. Delivery, performance: Supplementary provisions for development services

- (1) The SUPPLIER shall provide the services ordered by Hilite ("DEVELOPMENT SERVICES") in accordance with the agreed schedule and shall provide Hilite with regular written reports on the progress of the development.
- (2) The SUPPLIER shall perform the DEVELOPMENT SERVICES in accordance with Hilite's specifications, the state of the art in science and technology and with due care and attention customary in the industry in such a way that the development result ("DEVELOPMENT RESULT") corresponds to the key data specified by Hilite and is free from defects which nullify or reduce the value or suitability for the intended use. The determining factor shall be the status at the time of performance of the DEVELOPMENT SERVICES.
- (3) After completion of the development, the SUPPLIER shall send Hilite the DEVELOPMENT RESULTS and all documents necessary for their utilization. Acceptance shall take place on the basis of a joint discussion of the DEVELOPMENT RESULTS in the form of a final protocol to be signed jointly. Hilite is entitled to request rework to a reasonable extent. If these are not covered by the agreed performance specification, the parties shall agree on an additional fee. Minor rework shall not be remunerated separately.

5. Delivery, performance: Supplementary provisions for series deliveries

- (1) Nomination: The nomination of the SUPPLIER for series production of PRODUCTS is at the sole discretion of Hilite. If and to the extent Hilite decides to nominate the SUPPLIER for serial production of PRODUCTS, the SUPPLIER shall receive a written nomination ("NOMINATION"). The NOMINATION shall specify the PRODUCT to be delivered in detail and shall contain the delivery period, price, delivery quantity, delivery dates, call-offs, packaging and other necessary information and regulations for the PRODUCT in question.
- (2) Production capacity. The SUPPLIER's target production capacity per calendar year and working day is defined in the NOMINATION. The SUPPLIER undertakes to provide sufficient production and delivery capacities to produce and deliver the number of PRODUCTS specified as the target capacity per calendar year plus 15% on time. The annual target production capacity is

determined on the basis of 240 working days per calendar year and taking into account a fluctuation margin of 15% (max. 15 shifts/week).

- (3) Delivery call-offs: Deliveries are made on the basis of delivery call-offs from Hilite with details of the delivery quantity and delivery date ("DELIVERY CALL-OFFS"). DELIVERY CALL-OFFS do not require confirmation by the SUPPLIER. If the SUPPLIER does not object in writing within three (3) working days of receipt of the DELIVERY CALL-OFF, the DELIVERY CALL-OFF shall be deemed confirmed and binding. DELIVERY CALL-OFFS can be updated by Hilite at any time. Each new DELIVERY CALL-OFF shall replace all previous DELIVERY CALL-OFFS. Only the latest DELIVERY CALL-OFF is valid. The quantities indicated in the "Delivery quantity requested" column shall be delivered on the date indicated in the "Delivery date" column. All other quantities are non-binding planned quantities. Called-off delivery quantities and planned quantities can be changed by a new DELIVERY CALL-OFF. Quantities already dispatched resulting from the previous DELIVERY CALL-OFF will be accepted subject to reservation.
- (4) Dates: The dates for production and material release shall be set out in the DELIVERY CALL-OFF depending on the specific requirements for the PRODUCT in question. If no deadlines are specified in the DELIVERY CALL-OFF, a 4-week production release and an 8-week material release shall apply.
- (5) Change in the delivery quantity: Delivery quantities in a calendar year that fall short of or exceed the annual target production capacity by up to 15% shall not lead to price changes or entitle the SUPPLIER to withdraw from the supply agreement in whole or in part, to terminate it or to suspend delivery. Changes within this range will not lead to any changes in the allocation or amortization of the SUPPLIER's costs; the SUPPLIER must provide the increased capacities at its own expense. If the range of 15% is exceeded, the parties shall renegotiate the prices, but the SUPPLIER will not have the right to withdraw from the supply agreement in whole or in part, to terminate it or to suspend delivery. In the event of short-term changes in requirements of up to +/- 15% of the previous DELIVERY CALL-OFF, the SUPPLIER will not object and will deliver on time, provided that such changes were communicated by Hilite in a timely manner in the DELIVERY CALL-OFF. Hilite shall notify the SUPPLIER in writing of any changes to the annual target production capacity that fluctuate by more than 15% as soon as the changes are confirmed by Hilite based on approval or notification from the customer.
- (6) The SUPPLIER shall supply PRODUCTS as spare parts for up to fifteen years after the end of series production. The parties shall negotiate the details of the supply of spare parts separately.

6. Deliveries of goods

- (1) When shipping goods, a shipping notification must be sent to Hilite by fax or email at the same time. The SUPPLIER shall enclose all accompanying documents required for the delivery, including freight and customs documents, as well as all documents required for the safety of the goods. The SUPPLIER shall always state the order number, article number, service/delivery quantity and delivery address in the delivery documents and the dispatch note.
- (2) Shipping instructions must be strictly adhered to. Any costs and losses arising from the failure to comply with the shipping instructions shall be borne by the SUPPLIER, unless the SUPPLIER proves that it is not at fault.
- (3) The order number and the part number with change status shall be specified on the delivery documents and the delivery note number must also be stated on the invoices.
- (4) The PRODUCTS shall be packaged professionally in compliance with the packaging and preservation regulations, any residual dirt requirements and the specifications on the packaging data

sheet and delivered secured against damage. The packaging units specified by Hilite shall be adhered to. If the PRODUCTS are not packaged as specified by Hilite, the delivery shall only be deemed to have been made if Hilite has given its written consent for a modified packaging. Hilite may refuse acceptance if consent is not noted on the delivery note. The SUPPLIER shall take back packaging free of charge for Hilite upon request. Hilite may return reusable packaging which was invoiced to Hilite by the SUPPLIER against credit of the full invoice value, carriage paid.

- (5) The SUPPLIER shall deliver the PRODUCTS in suitable and - if agreed - exclusively in means of transportation approved by Hilite in order to avoid damage and quality deterioration (e.g. contamination, corrosion, chemical reactions).
- (6) Retention of title by the SUPPLIER shall only apply insofar as it relates exclusively to Hilite's payment obligation for the delivery of the goods to which the SUPPLIER retains title. Hilite does not recognize any further, in particular extended or prolonged reservations of title.

7. Special provisions for works and services

- (1) The SUPPLIER may only deploy sufficiently qualified, reliable and carefully trained personnel for the provision of services. The suitability of the personnel deployed for the contractual service German Association of the Automotive Industry (VDA) be proven to Hilite upon request.
- (2) Hilite may, for justified reasons, demand at any time that persons engaged by the SUPPLIER for the provision of its services under the contract be replaced immediately.
- (3) If services are to be provided on Hilite's company premises, Hilite's factory regulations and safety guidelines must be observed and instructions from the responsible Hilite employees must be followed as part of the house rules.

8. Tools

- (1) Definition: "TOOLS" are the specific tools and devices required to develop and/or manufacture the DEVELOPMENT RESULTS and a PRODUCT as well as all subsequent tools and devices. TOOLS may only be used for the manufacture of PRODUCTS and may only be reproduced with the written consent of Hilite.
- (2) TOOLS owned by Hilite: TOOLS ordered and paid for by Hilite become the property of Hilite. Hilite shall provide such TOOLS to the SUPPLIER on loan in accordance with the loan agreement to be agreed between the parties for the production of the DEVELOPMENT RESULTS and PRODUCTS. If the first set of TOOLS is reimbursed by Hilite, the costs for subsequent tools shall be borne by the SUPPLIER. The TOOLS shall become the property of Hilite if they replace TOOLS which were the sole property of Hilite. In case of replacement of TOOLS co-owned by Hilite, the SUPPLIER shall transfer to Hilite the corresponding co-ownership of the TOOLS. Hilite may demand that the SUPPLIER return any TOOLS owned by Hilite at any time.
- (3) Other TOOLS: If Hilite is not the owner of the TOOLS, Hilite shall receive the collateral ownership of the respective TOOLS and subsequent TOOLS to secure the delivery. In the event of an interruption in the supply of PRODUCTS, Hilite may demand the transfer of ownership and the immediate return of the TOOLS against payment of the relevant unamortized tool costs.
- (4) Functionality: The SUPPLIER is responsible for maintaining the proper functioning and condition of all TOOLS. He shall repair all TOOLS, if necessary, at his own expense. The SUPPLIER shall insure the TOOLS against fire, water, theft, etc. at its own expense. The SUPPLIER shall ensure that all TOOLS are stored properly and professionally. The SUPPLIER undertakes to scrap TOOLS which it uses or has used for the manufacture of DEVELOPMENT RESULTS and PRODUCTS only with the prior written consent of Hilite.
- (5) Spare tools: The SUPPLIER is obliged to produce replacement tools in good time before the end of the service life. If the service life specified by the SUPPLIER is not achieved, the SUPPLIER shall bear all additional costs incurred due to the premature procurement of replacement tools.
- (6) Location: The TOOLS are only approved for production at the location approved by Hilite. A relocation of the TOOLS must be requested from Hilite in good time in advance and is only permitted with the written consent of Hilite.
- (7) Changes to TOOLS: If changes to the specifications or technical requirements for a PRODUCT or a PROCESS require changes to TOOLS, the SUPPLIER shall first submit a written change offer to Hilite. The SUPPLIER may only modify the TOOLS after obtaining a written consent from Hilite. Expenses that have not been approved by Hilite will not be reimbursed by Hilite.
- (8) Liability: The SUPPLIER is liable for all defects, damage, alterations or deterioration of the TOOLS. This does not apply in the event of force majeure.

9. Performance changes

- (1) The SUPPLIER is not authorized to modify DEVELOPMENT RESULTS, PRODUCTS, processes, designs, materials, etc., as well as products, designs, materials, etc. of its own suppliers used in the DEVELOPMENT RESULTS or PRODUCTS without Hilite's prior written consent.
- (2) Any new validation costs for the validation of PRODUCTS or the product delivered by Hilite to its customer resulting from changes made by the SUPPLIER (except in the case of changes requested by Hilite or Hilite's customers) shall be borne by the SUPPLIER. In this case, Hilite and the SUPPLIER shall jointly determine the appropriate amount of the validation costs.

- (3) Hilite may at any time require the SUPPLIER to make changes to the DEVELOPMENT SERVICES, DEVELOPMENT RESULTS or PRODUCTS. In such cases, Hilite and the SUPPLIER will work together to implement the changes and analyze the impact of the changes. The SUPPLIER shall endeavor to implement the changes requested by Hilite.
- (4) In the event that changes are required due to public law regulations or a customer request from Hilite, SUPPLIER shall make every effort to work proactively with Hilite to implement the required changes.
- (5) Changes to the DEVELOPMENT SERVICES, DEVELOPMENT RESULTS or PRODUCTS shall be subject to the applicable Hilite change management procedure, which will be provided to the SUPPLIER upon request. Any change to DEVELOPMENT SERVICES, DEVELOPMENT RESULTS, PRODUCTS, processes, design, materials, etc. must be submitted by the SUPPLIER in writing in advance for approval using the "Change Request" form. A change can only be made if the SUPPLIER has received written notification of the change from Hilite.

10. Prices and payment terms

- (1) Unless otherwise agreed, the agreed prices are fixed prices and are free destination including packaging, transportation and insurance and, if owed, also assembly/installation. For DEVELOPMENT SERVICES, the prices specified in Hilite's orders shall apply as fixed prices. The prices for the PRODUCTS delivered in series are specified in the NOMINATION for the PRODUCT in question. Subject to other individual agreements, the agreed price shall be deemed a fixed price for the estimated period. Price changes require the written agreement of the parties. The SUPPLIER shall, at Hilite's request, fully disclose its price calculation and communicate all costs for raw materials, processing costs, direct and indirect labor and overhead costs, amortization of investments, SG&A, profit, etc. within the framework of the "open book" calculation. Any calculation errors shall be borne exclusively by the SUPPLIER.
- (2) Services shall only be remunerated against invoice or by credit note if they have been ordered in writing and a corresponding written agreement on remuneration has been made. The preparation of offers and cost estimates is free of charge.
- (3) If the price has not been agreed to include packaging, packaging may only be charged at cost price.
- (4) Invoices of the SUPPLIER are payable within 14 days with a 3% discount or within 60 days net from receipt of the goods, unless otherwise stated in the order, but at the earliest from the date of delivery and any agreed acceptance or provision of services.
- (5) The SUPPLIER's invoices must state the order number, a breakdown of the invoiced deliveries or services and the performance times. The invoice must contain all information required for input tax deduction by Hilite. If one or more of these details are missing and processing is delayed as a result in the normal course of Hilite's business, the payment and discount period shall be extended by the period of the delay.
- (6) Payments by Hilite do not constitute acceptance of the delivery or service as provided for under the terms of the agreement.

11. Product quality

- (1) The PRODUCT to be delivered by the SUPPLIER shall be precisely identified and described in the NOMINATION. The SUPPLIER shall develop or produce each PRODUCT in accordance with the specifications, drawings, 3-D models, samples, prototypes and other descriptions and instructions (if applicable also in electronic form) provided by Hilite in the NOMINATION or otherwise.

- (2) The SUPPLIER hereby warrants to deliver PRODUCTS consistently in the agreed quality. Quality must be ensured by clearly defined, controlled and mastered processes in the SUPPLIER's production process.
- (3) The SUPPLIER shall have a certified quality management system in accordance with TS 16949 in the currently valid version and undertakes to apply and maintain the quality management system with the requirements of these standards. The use of any other quality management system requires the prior consent of Hilite. The existing quality management system is regularly monitored by internal or external audits. The SUPPLIER shall only use suitable equipment and qualified personnel to manufacture and test the PRODUCTS. The SUPPLIER shall ensure that only PRODUCTS are delivered which fulfill the specifications or for which Hilite has issued special approvals. In the event of deviations, the necessary corrections shall be made immediately.
- (4) The SUPPLIER shall supply all documentation, test certificates, measurement reports etc. with the PRODUCTS in accordance with the order specifications. Deliveries shall be clearly marked on the delivery note with the respective valid identification number of the PRODUCTS.
- (5) The SUPPLIER shall prepare written instructions for its employees for process control, production control and quality inspection (incoming, intermediate, final and special inspections). The SUPPLIER shall ensure that these instructions are available and complied with during the work processes at the respective workplace in the SUPPLIER's company and are clearly visible at the workplace by means of a suitable process organization.
- (6) The SUPPLIER shall, where necessary, monitor the test equipment to ensure that it is suitable and appropriate for the intended use and shall ensure that it is always maintained in perfect condition and systematically calibrated. The SUPPLIER shall prepare records of these calibration, maintenance and monitoring activities and make them available to Hilite on request.
- (7) For PRODUCTS which deviate from the order specifications, but which obviously do not appear to be unusable for their intended purpose, the SUPPLIER can apply to Hilite in writing for a construction deviation approval immediately after recognizing the deviation ("Application for special approval" form).
- (8) The application must contain detailed information about the existing deviation and a description of the fault. Until a decision has been made, the affected lots must be clearly marked as blocked and no delivery may be made. Any special release, which is solely at Hilite's discretion, is limited to a fixed number of units, at most to the quantity already produced deviating from the specification.
- (9) PRODUCTS with construction deviations must be clearly marked on delivery and indicated on the delivery note.
- (10) The SUPPLIER shall maintain a consistent production process with consistent materials during the delivery period. A change in the manufacturing process, materials or environmental conditions (location) of the PRODUCTS must be requested in good time before the start of the modified production and must be expressly approved in writing by Hilite. The production process and product release is carried out by Hilite in accordance with the VDA (German Association of the Automotive Industry), Volume 2 or the PPAP (Manual for Production Process and Product Approval) in the current edition. The SUPPLIER is responsible for ensuring that all PRODUCTS are produced and tested exclusively from sampled materials and using approved procedures and equipment, as was done within the scope of the production process and product release. If the SUPPLIER changes the manufacturing process or the materials used without Hilite's consent, the SUPPLIER will be liable for all costs and damage incurred by Hilite and third parties as a result of the application of the changed process or the use of the non-approved materials. Hilite will not bear or reimburse any costs for obsolete parts that go beyond

the usual and comprehensible extent due to the release processes. The SUPPLIER shall avoid obsolete production and activities at all times, including when implementing approved changes.

- (11) To demonstrate compliance with the acceptance criteria for quality characteristics, the SUPPLIER shall record the process parameters influencing quality as well as the results of quality tests and keep the records for a period of 15 years after the last delivery. If required, the SUPPLIER shall grant Hilite access to these records and provide copies or extracts. The type and scope of the records must be defined for verification purposes depending on the production safety. At Hilite's request, an acceptance test certificate 3.1 in accordance with EN 10204 must be enclosed with each delivery for each batch. In principle, these certificates must be kept by the SUPPLIER for 15 years and presented to Hilite if required. A parts history must be kept for all PRODUCTS.
- (12) Hilite is entitled to carry out an audit of the SUPPLIER's quality management system at any time. Hilite shall be granted access to the production processes, documentation, process FMEA and records as well as access to the production and storage facilities of the PRODUCTS. The SUPPLIER shall oblige its subcontractors to give Hilite access to the production and storage facilities of the subcontractors upon request in order to check the quality management system of the subcontractors. Hilite is entitled to participate in inspections, findings, reviews or tests carried out by the SUPPLIER and its subcontractors, to have them observed by third parties authorized by Hilite or to carry out such inspections at the SUPPLIER's and its subcontractors' premises itself or have them carried out by authorized third parties after prior agreement. Hilite has the right to inspect all development documents (including software incl. source code for the purpose of analysis, e.g. collection of metrics) and documentation accompanying production.
- (13) Unless explicit batch traceability has been agreed, the SUPPLIER shall ensure traceability of the PRODUCTS delivered as follows: For each delivery batch, the following data shall be verifiably documented and stored for 10 years after the last delivery of the PRODUCT:
- Material batch (test certificates);
 - Production batch (production order);
 - Production machine;
 - Production data and quality records.
- (14) Should Hilite incur damages and/or costs due to violations of this provision, the SUPPLIER will be obliged to assume all resulting damages and costs in full.

12. Warranty

- (1) In the event of defects in the delivery or service and other breaches of contractual obligations, Hilite will be entitled to the statutory claims without restriction. These include in particular claims for compensation for damages caused by delay, lost profits, loss of production and consequential damages.
- (2) The SUPPLIER hereby warrants that the goods or services have the agreed quality upon transfer of risk to Hilite, are suitable for the contractually intended use and are otherwise in perfect working order. The agreed characteristics of the goods are based on product descriptions, which are the subject matter of the agreement - in particular, by being listed or referred to in Hilite's order - or which form an integral part of the agreement similar to these GTCP. It makes no difference whether the product description comes from Hilite, the SUPPLIER or the manufacturer.

- (3) Hilite is not obliged to examine the goods or make special inquiries about any defects upon conclusion of the contract. By way of derogation from Section 442 (1) clause 2 of the German Civil Code (BGB), Hilite is entitled to claim for defects without restrictions, even if Hilite was not aware of the defect at the time of the conclusion of the agreement due to gross negligence.
- (4) Hilite's obligation to inspect is limited to defects that are clearly evident during the incoming goods inspection by external inspection, including the delivery documents (e.g. transport damage, incorrect or incomplete deliveries) or that are identifiable during a quality control using a random sample procedure. No incoming goods inspection is required if an acceptance procedure has been agreed on. In any case, the commercial notice period shall be deemed to have been observed if obvious defects are notified within five working days (Monday - Friday) of receipt of the goods by Hilite and hidden defects within five working days of discovery of the defect.
- (5) In the event of a defect, the SUPPLIER shall, at Hilite's discretion, remedy the defect in the form of repair or replacement. The SUPPLIER shall bear all costs of any remedy, including any installation and removal costs. This is without prejudice to the statutory claims for reimbursement of relevant expenses. If the SUPPLIER fails to comply with its obligation to remedy the defect within a reasonable period of time set by Hilite or if setting a deadline is unreasonable due to the circumstances of the individual case, Hilite may take the necessary measures itself or have them taken by third parties at its own expense and risk.
- (6) The SUPPLIER shall bear the expenses required for the purpose of inspection and subsequent performance even if it turns out that there was actually no defect. The liability of Hilite for damages for making unjustified demands to have a defect rectified remains unaffected; however, Hilite is only liable if Hilite was aware or was grossly negligent in failing to recognize that there was no defect.
- (7) The limitation period for claims for defects is 36 months from the transfer of risk, unless a longer period is provided for by law. Upon receipt of the written notice of defects by the SUPPLIER, the limitation period for warranty claims shall be suspended until the SUPPLIER rejects the claims or declares the defect remedied or otherwise refuses to continue negotiations on the claims. In the event of remedial action, the warranty period for subsequently delivered parts shall recommence upon completion of the remedial action.
- (8) The acceptance or approval of submitted samples or specimens does not constitute a waiver of warranty claims.
- (9) In the event of a claim by Hilite's customers due to defective performance by the SUPPLIER, Hilite will be entitled to the statutory claims for supplier's recourse without restriction. The claims arising from redress against suppliers apply even if defective goods have been further processed by Hilite or another company, e.g. by incorporating them into another product.

13. Supplementary provisions on the warranty for development results and series products

- (1) Warranty for development results: The SUPPLIER hereby warrants that the DEVELOPMENT RESULTS are free from defects which nullify or reduce the value or suitability of the DEVELOPMENT RESULTS for the contractually stipulated use, have been professionally created and comply with all requirements and specifications of Hilite as well as the latest state of the art.
- (2) Warranty for series products: Furthermore, the SUPPLIER hereby warrants that products manufactured in series (a) comply with all requirements and information in all drawings, specifications, samples and other product descriptions supplied or approved by Hilite, (b) comply with all applicable safety and environmental laws and regulations in all countries in which, according to Hilite, the PRODUCTS or vehicles with the PRODUCTS are sold or used, including

the countries of the EU/EFTA/NAFTA, and (c) are of commercially acceptable quality and free from defects and have been expertly manufactured in accordance with the specifications in the NOMINATION from non-defective and adequate raw materials in the approved manufacturing process. If PRODUCTS have been designed or constructed by the SUPPLIER or by third parties on behalf of the SUPPLIER or according to the SUPPLIER's specifications, the SUPPLIER hereby expressly warrants that the design and construction are free from defects and that the PRODUCTS corresponding to the design are fully fit and usable for the purpose specified by Hilite, irrespective of whether Hilite has expressly approved or released the relevant design at the time of design and manufacture.

- (3) Complaints, immediate measures: If Hilite discovers defects, these shall be reported to the SUPPLIER in the ordinary course of business. In this respect, the SUPPLIER waives the objection of late notification. The SUPPLIER shall carry out an error analysis immediately upon receipt of the notification of a defect. If necessary, Hilite shall assist the SUPPLIER in identifying the fault to the best of its ability. Hilite shall make the rejected PRODUCTS available to the SUPPLIER to the agreed extent. The SUPPLIER shall analyze any deviation of the rejected PRODUCTS from the requirements and specifications and carry out all investigations to identify the source of the defect. Subsequently, the SUPPLIER shall inform Hilite in writing at short notice of the causes of the deviations and/or defects as well as the measures taken to remedy and prevent defects and their effects. If the delivery of defective PRODUCTS threatens to bring production at Hilite or Hilite's customer to a standstill, the SUPPLIER shall, in coordination with Hilite, take appropriate immediate measures to remedy the situation (replacement deliveries, sorting, reworking, special shifts, express transportation, etc.).
- (4) Procedure if the defect is discovered before production begins: If a defect is detected before the defective PRODUCT enters Hilite's production process, the SUPPLIER shall be given the opportunity to sort out and replace defective PRODUCTS within a reasonable period of time. If the SUPPLIER does not act immediately upon Hilite's request, Hilite may cancel the respective DELIVERY CALL-OFF and return the respective PRODUCTS at the SUPPLIER's expense and risk. In urgent cases, Hilite may, after notifying the SUPPLIER, sort out defective PRODUCTS itself or have this carried out by third parties at the SUPPLIER's expense. If the SUPPLIER repeatedly and after warning from Hilite continues to deliver defective PRODUCTS, Hilite may withdraw from one or all DELIVERY CALL-OFFS or the delivery contract for the PRODUCT concerned in whole or in part.
- (5) Procedures for identifying defects after production has begun, field failures, serial defects, recalls: The SUPPLIER shall provide supplementary performance if the defect is discovered after the start of production at Hilite, in the event of field failures, serial damage or recalls. To the extent that Hilite's customer determines the procedure for remedying defects, the SUPPLIER shall cooperate fully with Hilite and its customers. If the same PRODUCT is repeatedly delivered with defects, Hilite is entitled, after a written reminder, to withdraw from the DELIVERY CALL-OFF for the PRODUCT concerned in whole or in part.
- (6) Warranty periods: The warranty period for defects of a PRODUCT is regulated in the NOMINATION and corresponds to the warranty period requested by Hilite's customer for the product delivered by Hilite to its customer.
- (7) Claims based on defects of title in the DEVELOPMENT RESULTS shall become time-barred after 5 years. In all other respects, the statutory periods for liability for material defects shall apply to DEVELOPMENT RESULTS. The limitation period begins with the signing of the final protocol upon acceptance.

14. Liability and damages

- (1) The SUPPLIER shall compensate Hilite for all direct and indirect costs, expenses, damage and losses incurred by or in connection with the delivery of defective DEVELOPMENT RESULTS, TOOLS or PRODUCTS or the breach of the SUPPLIER's obligations and shall indemnify and hold Hilite harmless from all related claims of third parties. In particular, the SUPPLIER shall reimburse Hilite for the costs of sorting, inspection, troubleshooting, replacement, repair, storage, scrapping, transportation as well as the costs of open or hidden recall actions (irrespective of whether the recall action was initiated by Hilite or a third party) in addition to the subsequent delivery and shall indemnify and hold Hilite harmless from all claims of Hilite's customers which have arisen due to the breach of obligations on the part of the SUPPLIER. The above shall not apply if the SUPPLIER can demonstrate that it is not responsible for the defect or breach of contractual obligations.
- (2) The statutory provisions apply to product liability, tort and unauthorized management.
- (3) Hilite assumes that the SUPPLIER's offers are not based on inadmissible agreements restricting competition. In the event that such violations of antitrust law are proven or bindingly established by an antitrust authority, Hilite will be entitled to demand liquidated damages amounting to 15% of the net price of the products or services affected by the antitrust violation. The SUPPLIER is at liberty to prove that the actual damage incurred was lower. This is without prejudice to the right to seek additional damages.

15. Intellectual property rights

- (1) The SUPPLIER hereby transfers to Hilite all industrial property rights and other intellectual property which arise in the course of providing the DEVELOPMENT SERVICES or which were specifically used for providing the DEVELOPMENT SERVICES. After completion of the development, the SUPPLIER shall provide Hilite with the DEVELOPMENT RESULTS and all data and documents necessary for its use, in particular all documents and data relating to FMEA and risk assessments, drawings, calculations, individual part drawings, assembly drawings, test results and tests, mold flow analyses, filling studies and decision templates as well as 3D models. With respect to DEVELOPMENT SERVICES protected by copyright of the SUPPLIER, the SUPPLIER hereby grants Hilite a non-exclusive, irrevocable, transferable right to use these DEVELOPMENT SERVICES without limitations with respect to time, place and content and extending to all types of use at no extra charge, including, in particular, the right to reproduce, distribute, display, modify and process.
- (2) The SUPPLIER hereby warrants that all PRODUCTS developed and/or manufactured in series, prototypes for PRODUCTS and processes used for the manufacture of the PRODUCTS are free from third-party rights and that neither the development nor the manufacture, marketing, use or further processing of PRODUCTS by the SUPPLIER, Hilite or other persons infringes third-party rights. If a third party claims that a PRODUCT or the use of a PRODUCT infringes its rights, the SUPPLIER shall indemnify and hold Hilite and Hilite's customers harmless from such claims and pay for all related losses and costs. If the use of a PRODUCT is not possible without infringing the rights of third parties, the SUPPLIER shall procure a license for itself and for Hilite from the authorized third party at its own expense. The above shall not apply if the infringement is based on specifications, prototypes, drafts or designs provided by Hilite to the SUPPLIER.
- (3) The SUPPLIER shall only make PRODUCTS developed or manufactured specifically for Hilite available to Hilite and deliver them to Hilite. An order from third parties or deliveries to third parties (including Hilite's customers) of identical PRODUCTS require the prior written consent of Hilite. In the event of infringement, the SUPPLIER shall compensate Hilite for any damage (including loss of profit) incurred by Hilite as a result of third parties being directly or indirectly

put in a position to supply identical or similar products in competition with Hilite as a result of or caused by the SUPPLIER's infringement.

(4) This is without prejudice to any further statutory claims due to defects of title.

16. Termination and withdrawal

- (1) Hilite is entitled to terminate any supply agreement (GPA, individual order, NOMINATION or DELIVERY CALL-OFF) by giving a three months' notice if (a) the parties cannot agree on necessary changes to the scope of performance (e.g. costs, deadlines, delivery scope) or (b) Hilite's customer terminates the supply agreement with Hilite early for a product to be supplied by Hilite that incorporates the PRODUCT of the SUPPLIER. In the event of termination, cancellation or delay of a project, the SUPPLIER may only demand compensation, repayment or damages if this has been agreed in writing by Hilite in advance. Hilite will only reimburse costs or losses incurred by the SUPPLIER upon presentation of evidence (invoices, etc.) for the corresponding costs and/or losses. The SUPPLIER will not be entitled to any further performance or compensation claims. This is without prejudice to the right to terminate the agreement for cause. Hilite is particularly entitled to terminate the supply agreement for cause if the SUPPLIER repeatedly violates the provisions of the Supplier Code of Conduct. If the SUPPLIER ceases to make payments or if insolvency proceedings are initiated against its assets or an out-of-court settlement procedure is applied for, Hilite will be entitled to withdraw from all contracts with the SUPPLIER in whole or in part.
- (2) Hilite is entitled to terminate continuing obligations at any time in writing, stating the reason, if Hilite can no longer use the ordered goods or services in its business operations due to circumstances that occurred after the conclusion of the contract. In this case, Hilite shall reimburse the SUPPLIER for the partial services already rendered by it at the time of termination.
- (3) The PRODUCTS must correspond to comparable products from the SUPPLIER's competitors in terms of the technology used, quality and price. Hilite shall inform the SUPPLIER if Hilite receives a serious comparable offer for a PRODUCT from a third party in which the PRODUCT in question is offered at a lower price or on otherwise more favorable terms than the SUPPLIER's PRODUCT ("COMPETING OFFER"). The SUPPLIER may send Hilite a new written offer ("NEW OFFER") in response within 30 days of receipt of the notification. If the price offered in the COMPETING OFFER is at least 3% lower than the price offered in the NEW OFFER, or if the conditions offered in the COMPETITIVE OFFER are otherwise significantly more favorable than the conditions of the NEW OFFER, Hilite may withdraw from binding DELIVERY CALL-OFFS and the relevant supply agreement in whole or in part. If SUPPLIER chooses not to undercut the COMPETING OFFER, SUPPLIER will assist Hilite in an orderly handover of production to the new supplier.

17. Confidentiality

- (1) The SUPPLIER shall keep the terms and conditions of the order and all information and documents provided by Hilite in this regard (with the exception of generally known or publicly accessible information) confidential even after the execution of the agreement and only use them for the purpose of fulfilling its obligations under the agreement. Where the SUPPLIER is entitled to engage subcontractors, the SUPPLIER shall oblige its subcontractors to maintain confidentiality under a standard of protection that is at least equivalent to this confidentiality obligation. The SUPPLIER shall ensure that the subcontractor complies with the confidentiality provisions.

- (2) Employees of the SUPPLIER shall be trained in the content of this confidentiality agreement and the SUPPLIER shall ensure, to the extent permitted by law, that the employees are bound by this agreement even after they have left the services of the contractual partner.
- (3) Hilite is entitled to verify the SUPPLIER's compliance with its obligations under this clause, if necessary also at the SUPPLIER's premises.
- (4) Without the prior written consent of Hilite, the SUPPLIER may not refer to the business relationship with Hilite in advertising materials or display delivery items manufactured specifically for Hilite.

18. Miscellaneous

- (1) Where the SUPPLIER is a business, a public legal entity under public law or a special fund under public law, the sole place of jurisdiction for all disputes arising from the supply agreement or these GTCP is Frankfurt am Main/Germany.
- (2) These terms and conditions of purchase are governed by and shall be construed in accordance with the laws of the Federal Republic of Germany to the exclusion of UN Convention on the Sale of Goods (CISG).
- (3) To be effective, any changes or additions to this agreement or deviating provisions must be agreed in writing. Neither party may rely on any practice, which deviates from the concluded agreements, unless such deviation has been agreed by the parties in writing. This applies mutatis mutandis to any changes to this written form requirement. Declarations of intent sent by email only satisfy the written form requirement if the declaration of intent is signed by hand by authorized signatories of the party concerned and attached to an email as a pdf or a similar file.
- (4) The SUPPLIER's rights arising from the contracts concluded with Hilite are not transferable without Hilite's consent.
- (5) Hilite is entitled to offset or withhold payments as well as refuse/suspend performance to the extent permissible by law. Hilite is, in particular, entitled to withhold outstanding payments if Hilite still has counterclaims against the SUPPLIER on the grounds of incomplete or defective performance. The SUPPLIER is only entitled to set off undisputed or legally established claims and exercise the right of retention in relation to such claims.
- (6) If any provision of these terms and conditions or any agreements concluded hereunder is or becomes invalid, the validity of these terms or any agreements concluded hereunder will not be affected or impaired thereby. The parties undertake to replace the invalid provision with a provision that approximates as closely as possible the economic purpose of the ineffective provision. This applies mutatis mutandis to any omissions.

19. Sustainability, protection of human rights and the environment: Code of conduct for suppliers

The Hilite International Group's requirements for sustainability and the protection of human rights and the environment in its relationships with business partners are defined in the "Supplier Code of Conduct" ("Code of Conduct") (INSERT LINK). By accepting the order, the SUPPLIER declares its acceptance of the Code of Conduct and conformity with the requirements. Hilite is entitled, at regular intervals and after prior written notice (text form is sufficient), to verify the SUPPLIER's compliance with the Supplier Code of Conduct or to have it verified.