

Zollner Group

General Terms and Conditions of Purchase

General - Scope of application

- (1) The Zollner Group consists of the following companies: Zollner Elektronik AG
ZOLLNER Elektronik Gyártó és Szolgáltató Kft.
ZES Zollner Electronic S.R.L.
Zollner Electronics GmbH
Zollner Electronique Tunisia SARL
Zollner Electronics North Africa SARL.

Hereinafter referred to as "Zollner".

- (2) These Terms and Conditions of Purchase shall apply exclusively; the Client shall not recognize any terms and conditions of the Contractor that conflict with or deviate from these Terms and Conditions of Purchase, unless the Client has expressly agreed to them in writing. These Terms and Conditions of Purchase shall also apply if the Client, being aware of terms and conditions of the Contractor that conflict with or deviate from these Terms and Conditions of Purchase, accepts delivery from the Contractor without reservation.
- (3) All agreements made between the Client and the Contractor must be made in writing.
- (4) These Terms and Conditions of Purchase shall only apply to companies in accordance with Section 310 (1) BGB (German Civil Code).
- (5) These Terms and Conditions of Purchase shall also apply to all future transactions with the Contractor.
- (6) Amendments, additions and supplements to these Terms and Conditions of Purchase must be made in writing and signed by hand.
- (7) Both contractual partners are obliged not to commit or omit any actions that could lead to criminal liability for fraud or misappropriation, insolvency offenses, offenses against competition, granting of undue advantage, acceptance of undue advantage, bribery, corruption or comparable offenses by persons employed by the partner or other third parties. In the event of a breach of this provision, the non-breaching contractual partner shall be entitled to withdraw from or terminate all legal transactions with the partner without notice and to break off all negotiations, provided that this is proportionate in view of all circumstances.
- (8) Notwithstanding the foregoing, the contracting parties are obliged to comply with all laws and regulations concerning them and the business relationship.
- (9) If one of the contractual partners suspends payments or if an application is made to open insolvency proceedings against its assets or out-of-court settlement proceedings, the other party shall be entitled to withdraw from the part of the contract that has not yet been fulfilled.
- (10) The contracting parties are entitled to claim rights of retention and set-off claims insofar as the legal requirements for the claims are met.
- (11) Should an individual provision of these Terms and Conditions or any further is agreement be or become invalid and/or void or should gaps in the Agreement arise, the validity of the remaining provisions shall not be affected thereby. In such a case, valid provisions that come closest to the invalid provisions in economic terms shall replace the invalid and/or void provisions.

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§ 2

Orders

- (1) The client shall send orders to the contractor in text form or by electronic means.
- (2) The Contractor shall issue an order confirmation for each order without delay, but at the latest within 3 working days of receipt. The order confirmation shall contain at least the following information:
 - Confirmed delivery date or confirmed delivery dates of partial deliveries (taking into account specific regulations)
 - Place of delivery and delivery address,
 - Client order number,
 - client article number- Unit price per contract product ordered,
 - the currency,
 - Delivery quantity per contract product,
 - Manufacturer and manufacturer part number,
 - Drawing number (index, release, modification status),
 - Terms of payment and delivery;

After expiry of this period without feedback from the Contractor, the contract shall be deemed accepted even without written confirmation.

- (3) The Client reserves the property rights and copyrights to illustrations, drawings, calculations and other documents; they may not be made accessible to third parties without the express written consent of the Client. They may be used exclusively for the production on the basis of the Client's order; after completion of the order they must be returned to the Client without request. They must be kept secret from third parties; in this respect, the provisions of § 9 (5) shall apply in addition.

§ 3

Prices - Terms of payment

- (1) The price stated in the order is binding. Unless otherwise agreed in writing, the contractual products shall be delivered DDP (Incoterms 2020) to the agreed place of delivery, including packaging, for all deliveries.
- (2) Invoices can only be paid by the Client if they include the order number shown in the order, in accordance with the specifications in the order. The Contractor is responsible for all consequences arising from non-compliance with this obligation, unless he can prove that he is not responsible for them.
- (3) Payments are due within 30 days of the invoice date with a 3% discount, 60 days with a 2% discount or within 90 days net.
- (4) The Client shall be entitled to set-off and retention rights to the extent permitted by law.

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§ 4

Delivery time

- (1) The delivery date specified in the order is binding. These dates are arrival dates at the respective plant of the Client and are binding deadlines. The Client shall notify the Contractor in writing of any defects in the delivery as soon as they are detected in the ordinary course of business. In this respect, the Contractor waives the objection of late notification of defects.
- (2) The Contractor is obliged to inform the Client immediately in writing if circumstances arise or become known to the Contractor that indicate that the agreed delivery time cannot be met.
- (3) In the event of a delay in delivery, the Client shall be entitled to the statutory claims. In particular, the Client shall be entitled to demand compensation in lieu of performance and cancellation after the fruitless expiry of a reasonable deadline. If the Client demands compensation, the Contractor shall also be entitled to prove that it is not responsible for the breach of duty.

§ 5

Transfer of risk – Documents

- (1) Unless otherwise agreed in writing, delivery shall be made DDP (Incoterms 2020).
- (2) The Contractor shall be obliged to state the Client's order number on all shipping documents and delivery notes; if the Contractor fails to do so, the Client shall not be responsible for delays in processing.
- (3) The Contractor shall mark the products in the form agreed with the Client. The identification mark must be clearly and visibly attached to the delivered goods. Each shipping unit must be labeled with at least details of the consignee, delivery note number, order number, material number, quantity, sender and date of manufacture.

§ 6

Inspection for defects - Warranty for defects

- (1) The Contractor undertakes to grant the Client its warranty rights even if defects that would have been detectable in a technical incoming goods inspection are only discovered during or after processing. Accordingly, the client shall be released from the obligation to inspect and give notice of defects for incoming deliveries. However, the Client undertakes to carry out a check for identity solely on the basis of the information on the delivery documents and obvious damage to the packaging within a reasonable period after receipt of the goods. The notification of defects shall not be deemed late if it is made at least within two weeks of becoming aware of a defect.
- (2) The Client shall be entitled to the statutory claims for defects in their entirety; in any case, the Client shall be entitled to demand that the Contractor rectifies the defect or delivers a new item, at its discretion. The right to claim damages, in particular damages in lieu of performance, is expressly reserved.

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- (3) The warranty period is 36 months from delivery to the Client. If the Contractor's product is used in the automotive, aviation, medical or rail transport industries, a warranty period of 60 months shall apply. If the law provides longer periods or if the contracting parties agree on longer periods for a specific project, these shall take precedence. In the event of defects, the Contractor shall not object on the grounds of the statute of limitations, provided that notification of the defect is given within the warranty period.
- (4) If the operational safety is at risk, if there is a risk of unusually high damage or in order to maintain the Client's ability to deliver to its customers, the Client may also, after informing the Contractor, carry out a rectification itself or have it carried out by a third party. Any costs incurred as a result shall be borne by the Contractor.
- (5) The Contractor shall also bear the further costs incurred by the Client insofar as defective parts have already been installed and a simple rework or subsequent delivery is therefore no longer possible.
- (6) In the event of delivery of defective Products, the Client may demand that the Contractor inspect the delivery for further defective parts at its own expense and sort them out. If the Contractor does not comply with this obligation, the Client may sort out the Products itself or have them sorted out by third parties and charge the Contractor for this.
- (7) The Client may, at its reasonable discretion or according to the assessment of its customers, carry out a recall or take other measures to remedy defects due to a risk posed by a Product supplied by the Contractor. In this case, the Contractor shall be obliged to replace all products, including all products of the same kind and including those that have functioned properly up to the time of the decision on a recall.
- (8) The Contractor shall indemnify the Customer against all damages and costs in the event of a defect or recall. Irrespective of the cause of a recall or defect, the Contractor shall be obliged to provide the Customer with defect-free products as soon as possible.

§ 7

Product Liability - Indemnification - Liability insurance cover

- (1) The Contractor's liability shall be governed by the statutory provisions. All claims of the Client against the Contractor shall not become statute-barred before the expiration of the periods specified in section 6 (3) and section 8 (4).
- (2) Insofar as the Contractor is responsible for product damage, it is obliged to indemnify the Client from third-party claims for damages at the first request, provided that the cause lies within his sphere of control and organization and he is liable in relation to third parties.
- (3) Within the scope of its liability for cases of damage within the meaning of paragraph (1), the Contractor shall also be obliged to reimburse any expenses pursuant to §§ 683, 670 BGB and pursuant to §§ 830, 840, 426 BGB which arise from or in connection with a recall action carried out by us. The Client shall inform the Contractor of the content and scope of the recall measures to be carried out - as far as possible and reasonable - and give the Contractor the opportunity to comment. Other statutory claims shall remain unaffected.
- (4) The Contractor is obliged to provide evidence of business and product liability insurance with coverage of the recall cost risk and sufficient sums insured. The Contractor shall send this evidence to the Client annually without being asked. If the Client is entitled to further claims for damages, these shall remain unaffected.

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§ 8

Property rights

- (1) The Contractor warrants that no third-party rights are infringed in connection with its delivery.
- (2) If claims are asserted against the Client by a third party for this reason, the Contractor shall be obliged to indemnify the Client against these claims upon first written request; the Client shall not be authorised to enter into any agreements with the third party - without the Contractor's consent - in particular to conclude a settlement.
- (3) The Contractor's obligation to indemnify the Client extends to all expenses necessarily incurred by the Client as a result of or in connection with the third-party claim.
- (4) The limitation period is ten years, calculated from the conclusion of the contract.

§ 9

Retention of title - Provision – Tools

- (1) If the Client provides the Contractor with parts, it shall retain title to these. Processing or remodelling by the Contractor shall be carried out for the Client. If the reserved goods are processed with other items not belonging to the Client, the Client shall acquire co-ownership of the new item in the ratio of the value of this item (purchase price plus VAT) to the other processed items at the time of processing.
- (2) If the item provided by the Client is inseparably mixed with other items not belonging to the Client, the Client shall acquire co-ownership of the new item in the ratio of the value of the reserved item (purchase price plus VAT) to the other mixed items at the time of mixing. If the mixing takes place in such a way that the Contractor's item is to be regarded as the main item, it is agreed that the Contractor shall transfer co-ownership to the Client on a pro rata basis; the Contractor shall keep the sole ownership or co-ownership for the Client.
- (3) The Client reserves ownership of any tools provided; the Contractor is obliged to use the tools exclusively for the production of the goods ordered by the Client. The Contractor is obliged to clearly mark the tools belonging to the Client as the property of the Client. The Contractor is obliged to insure the tools belonging to the Client at replacement value at its own expense against fire, water and theft. At the same time, the Contractor hereby assigns to the Client all compensation claims arising from this insurance; the Client hereby accepts the assignment. The Contractor is obliged to carry out any necessary maintenance and inspection work on the Client's tools, as well as all servicing and repair work, at its own expense and in good time. The Contractor must notify the Client immediately of any malfunctions; if the Contractor culpably fails to do so, claims for damages remain unaffected.
- (4) If the securing rights to which the Contractor is entitled vis-à-vis the client in accordance with paragraphs (1) and/or (2) exceed the purchase price of all unpaid-for reserved goods of the client by more than 10%, the Client shall be obliged, at the request of the Contractor, to release the securing rights at the Client's discretion.

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§ 10

Long-term care

The Client must warrant that customer-specific products (custom-made parts) can be delivered for at least 15 years beyond the Client's last requirement (end of production). If, in individual cases, different deadlines apply, this shall require a separate agreement. If the Contractor has information about discontinuations of items that prevent compliance with the aforementioned requirement, this information shall be forwarded to the Client immediately.

§ 11

Confidentiality

The Contractor is obliged to keep all illustrations, drawings, calculations and other documents and information strictly secret. They may only be disclosed to third parties with the express prior consent of the Client. The confidentiality obligation shall also apply after the execution of this contract; it shall expire if and to the extent that the manufacturing knowledge contained in the illustrations, drawings, calculations and other documents provided has become generally known.

§ 12

Miscellaneous

- (1) The place of fulfilment is the delivery address indicated on the respective order.
- (2) The legal relationships in connection with this Terms and Conditions shall be governed by German substantive law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and other international private law conflict of laws rules. The sole place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be at the registered office of Zollner. However, Zollner shall also be entitled to take legal action at the customer's registered office.
For Zollner subsidiaries based in Europe and Africa, the following regulation shall take precedence:
The law of the country and state in which the Zollner company that ordered the goods has its registered office shall apply exclusively to the delivery. All disputes, differences of opinion or claims arising out of or in connection with the agreement or its breach, termination or invalidity shall be finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC). The arbitral tribunal shall be composed of three arbitrators. The seat of the arbitration tribunal shall be at the registered office of the appointing Zollner company. The language to be used in the arbitration proceedings shall be English.