

General Purchasing Terms and Conditions of Kromberg & Schubert Automotive GmbH & Co. KG (direct material)

Revision: 12/2023

1. Scope of application

(1) These General Terms and Conditions (T&C) apply to all contracts pertaining to the supply of direct material, i.e. goods utilised in a KROSCHU product ("object of contract") which are concluded by Kromberg & Schubert Automotive GmbH & Co. KG and their affiliated companies (hereinafter "KROSCHU") with their suppliers or other contractors (hereinafter collectively "SUPPLIER"). Affiliated companies are any and all companies that, in their relationship inter se, are companies in which a majority ownership interest is held and companies which hold a majority of the ownership interest, controlled and controlling companies, companies under common management by one controlling company and cross-shareholding companies. The T&C shall still apply even if they are not mentioned in subsequent contracts. They shall likewise still apply if the SUPPLIER is required to manufacture or produce the object of contract and deliver it to KROSCHU due to a contractual agreement with a third party.

(2) The T&C must be observed by all companies affiliated with the SUPPLIER, to the extent that they are involved in the purchasing transaction. The contracting party on the KROSCHU end is the company placing the order.

(3) All offers, agreements, supplies and services shall only occur on the basis of and in accordance with the following conditions. Differing conditions, in particular purchasing conditions of the SUPPLIER, shall only be binding if confirmed by KROSCHU. If two confirmation notifications having divergent terms and conditions should coincide, that of KROSCHU shall be considered valid.

(4) All agreements and orders must be made in writing in order to be binding. No verbal subsidiary agreements have been concluded. Proof to the contrary is not excluded.

(5) If any special contracts are concluded, e.g. non-disclosure agreement, development contract, tool contract, etc., they shall take precedence.

2. Contract conclusion and amendments

Contracts, orders and call-offs as well as statements pertaining thereto must be made in writing; call-offs can also be made by remote data transmission. Orders and call-offs shall be considered confirmed insofar as the order or call-off is not declined in writing within 1 (one) working day of receipt. In case of doubt as to the explanatory power, a contract shall be concluded by no later than the start of delivery.

3. Prices and payment terms

(1) All agreed prices are fixed prices, unless otherwise expressly agreed. The applicable sales and/or value added tax is not included in the prices. Transport, freight, loading and packing costs must be indicated separately. Except with prior explicit approval from KROSCHU, the SUPPLIER is not authorised to modify prices or charge any additional costs of any kind. If the price is agreed "ex works" or "ex warehouse", then KROSCHU shall use an authorised carrier. All costs incurred up to the point of handover to the carrier, including loading but excluding cartage, shall be borne by the SUPPLIER. Insofar as the SUPPLIER is bound by a packaging regulation to take back the used packaging, it shall bear all costs incurred in conjunction with this. The type of pricing shall not affect the agreement on the place of performance.

- (2) In case of incorrect or incomplete delivery, KROSCHU is entitled to withhold payment in proportion to the value until correct and complete delivery is made.
- (3) The SUPPLIER is only entitled to compensation if its claims are undisputed, established with legal effect or ripe for adjudication.

4. Deliveries, retention of title and transfer of risk

- (1) Deliveries shall be made according to the latest versions of the agreed Incoterms. Partial deliveries are excluded unless otherwise expressly agreed. If individual logistics agreements are concluded, they shall take precedence.
- (2) Every shipment must include a packing slip indicating the order number, the precise product designation and, if known, KROSCHU's in-house material number. In addition, every package unit must have a label in compliance with the requirements of the applicable VDA guidelines. For every shipment, a dispatch notice, indicating the date, order number and the net and gross weights, must be issued and sent by email on the day of dispatch.
- (3) All agreed delivery schedules and terms are binding. Delivery shall be considered completed upon receipt of the goods at the place of performance. If DDP delivery terms are not agreed, then the SUPPLIER must deliver the goods in good time, in accordance with the usual time for loading and dispatch. In case of any delay, the SUPPLIER must notify KROSCHU immediately of the reason and duration of the expected delay.
- (4) In case of delayed delivery, the SUPPLIER shall be liable to compensate KROSCHU for damage caused by delay. Acceptance without reservation of the late delivery on the part of KROSCHU shall not constitute a waiver of claims for compensation.
- (5) Retentions of title by the SUPPLIER going beyond ordinary retention of title are excluded. In all instances, KROSCHU shall be entitled to resell the item of delivery in line with regular business operations. If the SUPPLIER has retained title in the items of delivery, then this retention of title shall be valid only until payment for the items of delivery, to the extent that KROSCHU has not already become owner of the items of delivery by processing, connecting or combining these items with others.

5. Quality and claims for defects

- (1) The SUPPLIER must comply with the generally accepted technical standards, safety regulations and agreed technical specifications in the development and production of the object of contract. The SUPPLIER shall take provision that the statutory requirements are met. This shall apply in particular to the expected (final) place of use, to the extent that it is known to the SUPPLIER. Except when otherwise stipulated, the SUPPLIER must maintain certification as per IATF 16949. Compliance with DIN ISO 9001 shall be binding for the SUPPLIER as the minimum standard. In addition, the requirements indicated by KROSCHU and, in particular, the car manufacturer requirements known to the SUPPLIER. Any changes to the object of contract as compared to previous orders of the same type, particularly with regard to the composition of the processed material or in the design of the goods, must be indicated to KROSCHU before the start of production. Such changes are subject to prior written consent from KROSCHU. The goods delivered by the SUPPLIER must, in all instances, comply with the car manufacturer requirements known to the SUPPLIER. If a separate contract is concluded for quality assurance, it shall take precedence.
- (2) The SUPPLIER undertakes to thoroughly check the goods for defects before delivering them. In particular, the SUPPLIER is required to check whether the goods it is about to deliver are of free from defects in accordance with the contractual standards of quality and are suitable for typical use (e.g. installation or processing typical for the product). In line with the goods outgoing inspection, the SUPPLIER must implement a certified quality management system (QM system) and provide proof of this if requested by KROSCHU. The SUPPLIER is required to enable quality audits by

KROSCHU or a third party contracted by KROSCHU, potentially with the participation of the car manufacturer, in order to assess the effectiveness of its QM system.

(3) The obligations to inspect and notify of defects as defined in § 377 of the German Commercial Code shall apply. In case of a defect which could not be identified in the industry-typical inspection of the delivered goods (§ 377 Abs. 3 HGB), KROSCHU shall be entitled to notify the SUPPLIER of the defect within 14 days of its subsequent discovery.

(4) In all countries except for the USA, Canada and Puerto Rico, the warranty period is 48 (forty-eight) months, and in den USA, Canada and Puerto Rico, it is 60 (sixty) months. The warranty period begins with the initial vehicle registration or spare part installation. After a given defect has been eliminated, the warranty period shall start over again, unless the SUPPLIER was not obligated to eliminate the defect; this suspension of the statute of limitations shall end no later than 5 (five) years after the goods are delivered to KROSCHU.

(5) The SUPPLIER shall transfer all defect, warranty, guarantee and damage claims against its own (sub-)suppliers to KROSCHU for processing. KROSCHU shall accept this transfer upon conclusion of the contract with the SUPPLIER. The SUPPLIER shall retain the right, however, to assert the aforementioned claims against its suppliers until such time as they may be revoked by KROSCHU.

6. Liability, insurance

(1) Unless agreed otherwise, the SUPPLIER shall be liable for all of KROSCHU's payables, damages, costs, expenses (including court fees and legal costs) and losses resulting from the delivery of a defective object of contract or other breach of seller's duties. To the extent that the applicable legal provisions require culpability for liability, these legal requirements shall remain unaffected.

If the goods delivered by the SUPPLIER are processed by KROSCHU in accordance with their normal usage and if, due to the goods being defective, a third party requires KROSCHU to remove and re-install the goods, manufacture new goods or cover the costs of removing and re-installing the goods (as well as any potential disposal and transport costs) or manufacturing new ones, then the SUPPLIER shall be obligated to indemnify KROSCHU of the resulting costs. The SUPPLIER may elect to demonstrate that the defect claimed was not yet present before the risk was transferred to KROSCHU. This shall not affect any further rights and claims of KROSCHU or the right and the obligation of the SUPPLIER to rectify the defective goods supplied by them.

(3) In view of its work and the risks inherent in the object of contract, the SUPPLIER must obtain, maintain and, upon request, provide proof of adequate global insurance coverage, as typical in the automotive industry, (in particular, commercial general liability, product liability and recall insurance) with regard to its obligations, including the relevant contract.

7. Patent rights/trade secrets

(1) The SUPPLIER vouches that no third party patents, copyrights or other intellectual property rights are violated by its supplies and the exploitation thereof by KROSCHU. It exempts KROSCHU and KROSCHU's buyers of all claims based on the use of all intellectual property rights. This does not apply insofar as the SUPPLIER produced the object of contract according to drawings, tools, samples, models, brands, templates, recipes or similar ("production aids") provided by KROSCHU and does not know or did not necessarily know, in connection with the products developed by it, that patent rights would be violated as a result.

(2) The SUPPLIER is required to treat KROSCHU's order and all commercial and technical details pertaining thereto as trade secrets. The production aids provided to the SUPPLIER by KROSCHU shall remain the exclusive property of KROSCHU and may not be transmitted to third parties except with explicit prior written consent from KROSCHU. They must be clearly marked as property of KROSCHU, stored safely and replaced if lost or damaged while in the SUPPLIER's custody. The

SUPPLIER must return the production aids to KROSCHU immediately upon completion of the order without being specifically asked to do so. Products manufactured and/or decorated with such production aids may only be delivered to third parties with explicit prior written consent from KROSCHU. Sub-suppliers must likewise be required to comply with this.

8. Ethical standards/code of conduct

KROSCHU is conscious of its social responsibility in all its business operations and believes in upholding the tenets of the United Nations Global Compact Initiative (www.unglobalcompact.org) as well as the Declaration on Fundamental Principles and Rights at Work (www.ilo.org/declaration). KROSCHU expects its suppliers to likewise keep their conduct law-abiding, socially and ethically correct by complying with the minimum standards stipulated in the aforementioned policy statements.

The specific requirements KROSCHU has for its suppliers and service providers are defined in the Supplier Code of Conduct.

The SUPPLIER shall likewise contractually obligate its suppliers and service providers to comply with the aforementioned minimum standards and the contents of the KROSCHU Supplier Code of Conduct.

9. Jurisdiction clause and severability clause

(1) Within the framework of what is legally permissible, any disputes arising from the concluded agreement or in conjunction therewith, – including the effectiveness of this contract itself – shall be arbitrated exclusively by the designated courts in Stuttgart, Germany. Alternatively, however, KROSCHU reserves the right to make claims against SUPPLIER in their legal domicile if KROSCHU chooses to do so.

(2) All reciprocal claims and rights derived from or in conjunction with the concluded contract shall be governed exclusively by German law (in particular, the German Civil Code and German Commercial Code) to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and of the referral provisions under German international private law.

(3) The business relationship between the SUPPLIER and KROSCHU is subject exclusively to the validity of these T&C. The right to provide proof of contradictory agreements shall remain unaffected. Divergent, conflicting or supplementary general terms and conditions are not part of this contract, unless their validity is explicitly agreed to in writing.

(4) Should one or more provisions of this contract be or become ineffective, the effectiveness of the remaining provision of this contract shall not be affected as a result. The contract parties shall then be required to replace the ineffective provision with an effective provision which best approximates the commercial intent of the contract parties in stipulating the ineffective provision.

10. General provisions

Any transfer of rights and obligations of the SUPPLIER derived from the contract concluded with KROSCHU shall only be effective with written approval by KROSCHU. § 354a HGB (German Commercial Code) remains unaffected.