

## **The Webasto Group's General Terms and Conditions of Purchase (07 / 2020)**

### **1. Validity**

- 1.1 These General Terms and Conditions for the purchase of production material by Webasto SE and the companies connected with it according to §§ 15 ff. AktG (German Stock Corporation Act) (individually or together also "**Webasto**" or "**Webasto Group**") shall apply to the production, acquisition, delivery, performance and/or purchase of products of any kind, especially prototypes, parts, spare parts, components, aggregates, substances, materials, rights, services, machines and equipment for production and/or systems, including software contained therein or related thereto as well as associated documentation and the source and object code of this software (together "**delivery items**"), which have been acquired by Webasto from the respective the Supplier ("**Supplier**") for the purpose of producing Webasto products ("**Webasto AGB**"). The Webasto Terms and Conditions for Production can be viewed and downloaded at <https://www.webasto-group.com/en/the-company/supplier-portal/> ("**Supplier Portal**").
- 1.2 The legal relationship between Webasto and the Supplier (Webasto and the Supplier respectively also the "**Party**" and collectively the "**Parties**") in connection with the purchase of delivery items by Webasto shall be based exclusively on these "Webasto Terms and Conditions", of which the "**Webasto General Terms and Conditions for Tools**" and the respectively current quality guidelines for Webasto suppliers („**QW1**") are an integral part, which can also be viewed in the Supplier Portal. This applies also to all future business relationships for the purchase of delivery items, even if then the validity of the terms of these Webasto Terms and Conditions are not expressly agreed upon again. The acceptance of the Supplier's delivery items or payments by Webasto to the Supplier without objection shall under no circumstances constitute recognition of other terms and conditions of the Supplier. **WEBASTO OBJECTS TO ANY ADDITIONAL OR CONTRADICTIONING TERMS OR CONDITIONS IN ANY OFFER OR ACCEPTANCE OF SUPPLIER, AND SUCH TERMS OR CONDITIONS SHALL NOT BECOME PART OF THE DELIVERY AGREEMENT.** Separate, additional objection in individual cases is not necessary.
- 1.3 The Supplier shall ensure that the provisions of these Webasto Terms and Conditions find relevant application in the case of any subcontractors and/or third parties (see number 3) authorized by the Supplier to fulfill the delivery and performance obligations to Webasto. The Supplier shall be obliged to ensure that his subcontractors or third parties comply with the provisions of these Webasto Terms and Conditions and grant Webasto the rights formulated in these Webasto Terms and Conditions.
- 1.4 Amendments, supplements and side agreements to these Webasto Terms and Conditions and the delivery contract (see below, Clause 2.3) shall be made in writing. This applies also to the change of the written form requirement according to Clause 1.4 Sentence 1.

### **2. Orders, delivery contracts, releases, changes**

- 2.1 Orders, delivery contracts, releases for the purchase of delivery items as well as their acceptance, changes and additions shall be made in writing, but can also be effected by fax or via electronic data transmission. In addition, delivery contracts are concluded when the Supplier starts to provide the service or deliver the goods, which is the subject of the order or the offer on the conclusion of a delivery contract or release of goods.
- 2.2 An order by Webasto is an offer to the Supplier to conclude a delivery contract. Prior to acceptance by the Supplier, Webasto may revoke an order at any time and without any liability towards the Supplier. An order does not represent acceptance of an offer by the Supplier unless expressly stated in the order. Any reference to offers or letters of Suppliers made in an order shall only apply with regard to the item referred to and only to the extent to which the order is not inconsistent with the item referred to. Releases shall be binding, unless Supplier objects in writing towards Webasto within 48 hours upon receipt due to unreasonableness of the quantities or the dates, stating the earliest possible delivery dates.
- 2.3 The order or a release and the Webasto Terms and Conditions shall be deemed to be accepted by the Supplier in their entirety and without any modification if the Supplier accepts an order or release in writing or by means of electronic data transfer or begins with the delivery of the goods or services set forth in the order or the release. Any accepted order or release or any agreement on the production, acquisition, delivery and/or other provision of delivery items otherwise concluded shall be a "Delivery Contract" within the meaning of these Webasto Terms and Conditions.
- 2.4 The production of prototype parts, especially within a development, prior to series production or changes in series production, shall be in accordance with the drawing and the performance and requirements specifications, where available, which were approved by Webasto, in the latest index (together "Specification"). Any changes and improvements, achieved in the course of the production of the prototype, shall be verified by Supplier with regard to suitability for the intended purpose and the quality requirements, and the Supplier shall inform Webasto of such change or improvement. On Webasto's request the specification shall be amended accordingly. The order for the series-production shall be based on the amended specification.

- 2.5 Quantities and delivery dates will be exclusively set forth in orders or releases. The Supplier shall ensure the required capacities in order to fulfill the quantities, including estimated quantities, pursuant to orders or releases. Unless provided otherwise in the release, the respective release shall constitute a production approval for a period of four (4) weeks and a material approval for a period of an additional four (4) weeks. Any further estimated quantities contained in orders or releases shall be considered to be non-binding. Any purchase obligation of Webasto shall be limited to the above-mentioned release periods.
- 2.6 Webasto reserves the right to make, or request that Supplier make, modifications with regard to delivery items, specifications and/or processes to a delivery contract at any time. Supplier will immediately, usually no later than ten (10) days, demonstrate the effects of any such modification on price and delivery date by means of a cost break down and appropriate documentation. If such modification requires any deviation in price or delivery date, Webasto and the Supplier shall agree to an appropriate adjustment of the delivery contract.

### **3. Contracting of Third Parties, Transfer of production**

- 3.1 The Supplier undertakes to notify Webasto in advance of any sub-contracting as well as to obtain Webasto's prior written consent to such sub-contracting. Webasto will only refuse such consent for important reasons. In any case, the Supplier's direct legal responsibility towards Webasto shall remain unaffected by the contracting of third parties.
- 3.2 Moreover, the Supplier undertakes, in the case of production of delivery items, to refrain from transferring the production and/or place of production of delivery items or parts thereof to a different location without the prior written consent of Webasto.

### **4. Delivery dates and periods, disruptions and delays**

- 4.1 The delivery dates and periods stated in the order and/or in the release shall be binding. Relevant for the observance of the delivery date or delivery period shall be the receipt of the delivery items at the Webasto plant or location to be supplied.
- 4.2 Unless agreed otherwise, delivery shall be made "delivery duty paid" (Incoterms DDP) and shall include the return of the packaging in circulation to Supplier at the cost of the Supplier.
- 4.3 Supplier shall notify Webasto immediately in writing of any circumstances, which could lead to disruptions, especially to delayed or only partial delivery. The Supplier shall communicate the relevant measures, especially also a suitable emergency plan, with which the Supplier could prevent the disruption or deter its effects.
- 4.4 Supplier shall bear all costs (especially additional freight charges, retrofitting costs, extra shifts, additional expenditure for covering purchases), which Webasto and Webasto's customer incur due to a failure to meet delivery dates for which Supplier is responsible. In the event of the Supplier's delay with regard to a delivery date, Webasto shall be entitled to demand a lump-sum compensation of 0.5% of the order and/or release value, but no more than 5.0% of the order and/or release value, for each beginning week of the delay. The right to prove that Webasto has suffered little or no damage remains expressly with the Supplier. Webasto's right to claim further damages shall remain unaffected.
- 4.5 In the event of an acceptance of a late delivery, Webasto explicitly reserves the right to exercise the rights set forth under No. 4 above at a later point in time. The unconditional acceptance of the late delivery shall not constitute a waiver of any other compensation claims to which Webasto may be entitled.
- 4.6 To the extent it becomes apparent that the Supplier will permanently be unable to meet the delivery dates, the Supplier shall be obliged, after a deadline has been set and upon request of Webasto, to surrender immediately all tools/devices required for production, which are property of Webasto, as well as by secondary law tools/devices that are the property of third parties (see also Number 16.1) in order to enable Webasto to produce or have a third party produce the delivery items for the duration of such inability. The costs of transfer of production shall be borne by the Supplier insofar as he is responsible for the delay. Claims by the Supplier due to the production transfer are excluded. Additional claims by Webasto for damage compensation remain unaffected.
- 4.7 Early deliveries, partial deliveries or excess quantities require written agreement by Webasto. If there is no written agreement Webasto has the right to refuse acceptance of these deliveries or to return them at the Supplier's expense. Independent of Webasto's previous agreement the Supplier shall compensate Webasto for costs, expenses and damages incurred through early deliveries, partial deliveries or deliveries of excess quantities, including increased transport costs incurred by these deliveries.

### **5. Force Majeure**

- 5.1 Force majeure, labor disputes, unrest, governmental measures and other unpredictable, inevitable and serious events shall release the Parties from their obligation to perform for the duration of the disruption and to

the extent of its effect. This also applies if these events occur at a point in time when the affected party is in delay. Webasto shall be entitled to purchase elsewhere for the duration of the disturbance.

- 5.2 If the duration of the disturbance is not insignificant, and if the disturbance results in a significant decrease in the need, Webasto shall be entitled to cancel the part of the delivery contract, which has not yet been fulfilled, without prejudice to any other rights Webasto may have. In the event of any bar to performance for which Webasto is responsible, Webasto shall have no right of cancellation.
- 5.3 The Parties are obligated, as far as is reasonable, to immediately pass the necessary information to the respective other Party, to undertake everything to remove the disturbance and/or to reduce the effects of the disturbance. The Supplier shall notify Webasto immediately in writing of any delay within the meaning of Number 5.1 which becomes apparent. If Supplier fails to notify Webasto to this effect, or fails to notify Webasto in due time, and if Supplier is responsible for such failure to notify Webasto or to notify Webasto in due time, Supplier shall compensate the damage which could have been prevented had the notification been given in due time. In addition, the Parties shall search for alternative ways and means to make the continued performance of duty possible and if necessary to adapt their obligations in good faith to the changed circumstances for the time period of the disturbance. As soon as the disturbance no longer exists the Parties' original obligations to perform shall be fulfilled.
- 5.4 Supplier undertakes to present to Webasto an appropriate emergency concept for the occurrence of the examples listed under Number 5.1 above.

## **6. Inspection of outgoing goods, packaging, shipping, proof of origin**

- 6.1 The Supplier shall inspect the outgoing goods in view of defects in the delivery items.
- 6.2 All delivery items must be properly packed, labeled and shipped by the Supplier in such a manner as to ensure the lowest transportation costs, using customary care and diligence. Unless agreed otherwise, the delivery items shall be packed according to the respectively applicable packaging specifications of Webasto (available on the Suppliers Portal). Supplier shall be liable for any damage due to faulty packaging, i.e. not according to the current packaging specifications of Webasto and/or any other regulations to be observed.
- 6.3 Supplier shall immediately obtain in full any and all documents and other information required under customs provisions or any other applicable state provisions, including, without limitation, a) drawback documents and b) all proofs of origin as well as c) any and all other information relating to the origin of the delivery items and the materials contained therein under commercial law or provisions governing preferential trade
- 6.4 If Webasto determines a carrier or a means of transport, the Supplier shall ship by such carrier and means of transport.

## **7. Quality**

- 7.1 The Supplier guarantees that his deliveries and services are suitable for the intended use and that their condition is without fault with reference to the utilized materials and design. Supplier shall comply with accepted state of the art in science and technology, as well as the agreed specifications, quality, environmental, emissions, safety and testing rules and regulations as well as with the agreed technical data. Any change of the delivery items or of materials, tools or production processes shall require the prior written consent of Webasto. Supplier shall review the specifications and notify Webasto immediately of any modifications that may be necessary especially for the improvement of quality.
- 7.2 As regards the quality assurance procedures to be complied with by Supplier, Webasto's QW1 guidelines as applicable from time to time shall apply. Supplier will comply with the procedures and documentation duties set forth therein. In addition, further-reaching requirements for specific parts may be documented in quality agreements. The initial sample inspection procedures, as described in QW1, are supplemented by the requirements documented in the respective first sample orders.
- 7.3 The Supplier ensures that the delivery items and the processes necessary for their production and/or processing observe the national and international rules and regulations relevant to the delivery items in their respective country of production as well as in the countries where the delivery items are marketed, where the delivery items are assembled and/or for which they are used. Supplier shall indemnify Webasto from and against any and all claims under private or public law arising from a violation of such provisions. Supplier shall include all required inspection documents and certificates as agreed. Furthermore, the Supplier shall, at the Supplier's cost, feed the required information in corresponding systems which serve to comply with the provisions listed in the Numbers above (such as the International Material Data system, "IMDS").
- 7.4 The Supplier will record in the Supplier's quality documents when, how and by whom the defect-free production of the delivery items and/or deliveries has been ensured, and will prepare a corresponding documentation which shall be made available immediately to Webasto upon request. This documentation shall be kept for fifteen (15) years after the end of the series production by Webasto's customers, for whom the delivery

items were used, and to be presented to Webasto when necessary. The Supplier has the right to shorten the retainment period of the documentation if he can exclude danger to life and health when the delivery items are used, i.e. in case the delivery items are installed into Webasto products. The Supplier shall obligate sub-suppliers within the limits of the law to the same extent. Further specific requirements for documentation and its archiving are set forth in QW1.

- 7.5 Notwithstanding the above the Supplier will control the quality of the delivery items in regular intervals and ensure their conformity to the quality requirements of QW1 and/or the agreed quality requirements as well as present the agreed inspection documents. Supplier will inform Webasto immediately and in writing of any quality problems of the delivery items which may occur. The parties will inform each other about possibilities of improving quality.
- 7.6 Webasto shall have the right upon advance notice to reasonably inform themselves on the compliance with the quality specifications and the quality management system and to inspect the corresponding records at Supplier's premises. Supplier will support Webasto, make records available and provide information as required.
- 7.7 If and to the extent that the delivery items or parts thereof are safety-relevant in accordance with domestic and/or foreign laws, guidelines or other applicable provisions, the supplier undertakes to document and/or archive according to specifications but at least for ten (10) years, at Webasto's request, the homologation and the manufacturing process for the delivery items, in particular such as (testing methods), by whom (natural/legal persons) and with what result the safety-relevant delivery items and/or parts thereof were tested. To the extent that any public authority competent for motor vehicle safety, emissions rules or the like request access to the production process and the inspection documents of Webasto, the Supplier agrees upon request of Webasto to grant such authorities the same rights at the Supplier's premises and to provide every reasonable support in this respect.

## **8. Competitiveness**

- 8.1 The commercial basis of the delivery contracts is that the Supplier remains competitive with regard to prices, quality, innovativeness of the delivery items and security of supply.
- 8.2 If products, goods and/or services that are comparable to the delivery items are offered to Webasto at competitive conditions, Webasto will notify the Supplier thereof in writing and will set a reasonable period of time for the Supplier to restore full competitiveness of the delivery items. The Supplier will promptly prepare a catalogue of actions to restore competitiveness and will furnish Webasto with such catalogue, together with a corrected offer. If Webasto accepts the corrected offer to restore competitiveness, the current delivery contract shall be continued on the changed terms and the Supplier shall implement and ensure the agreed measures to restore the competitiveness of the delivery items in accordance with the corrected offer within the reasonable period set by Webasto. The obligation to maintain competitiveness shall be a material contractual obligation. In the event of any violation of such obligation, Webasto may demand adjustment or terminate the agreement in whole or in part for cause.

## **9. Prices, invoicing, payment, transfer to third parties**

- 9.1 The agreed prices do not include applicable sales tax currently in force. Prices shall be fixed prices and represent the total price for the manufacturing and delivery of delivery items including packaging under a delivery contract. The Supplier shall not have the right to adjust prices or invoice additional costs of any nature whatsoever without explicit prior written consent of Webasto.
- 9.2 Unless agreed otherwise in the orders, the Supplier's invoice - independent of the contractually agreed transfer of the risk of loss of the delivery items to Webasto - shall become due for payment sixty (60) days after contractual receipt of the delivery item or the delivery items and the receipt of a proper and verifiable invoice. The invoice shall correspond to current legal specifications, including especially the VAT identification number or tax number, delivery or service date, number and kind of invoiced delivery items. In addition, the Supplier number, delivery note number, order number and date (or delivery contract and/or release number) shall appear in the invoice. Webasto may reject any invoice which does not show the complete order number. Receipt of the correspondingly corrected invoice shall be relevant for the beginning of any agreed payment period.
- 9.3 In the event of acceptance of an early delivery, the agreed delivery date shall be relevant for the due date of the payment. Payment shall be made via bank transfer, via check or – where agreed – via credit note procedure, as well as subject to invoice verification.
- 9.4 In the event of defective deliveries, Webasto shall further be entitled to withhold payment in proportion to the value until due and proper rectification.
- 9.5 Without prior written consent the Supplier shall not be entitled to assign to, or have collected by, third parties any of the Supplier's claims against Webasto. If, contrary to Number 9.5, the Supplier assigns the Supplier's

claims against Webasto to a third party, Webasto may at its choice discharge its obligation either towards Supplier or towards the third party. In the event of a prolonged reservation of title in favor of a sub the Supplier, the consent shall be deemed to have been given.

## **10. Notice of Defects**

- 10.1 Upon receipt of delivery items Webasto will carry out identity and quantity inspection by means of the delivery note as well as check the delivery items for obvious transport damage and other recognizable outer damage. If Webasto discovers any defects during this process, Webasto will show it to the Supplier immediately. Any defects not discovered during this process will be shown to the Supplier by Webasto within a reasonable time period, as soon as these have been determined according to the circumstances of the normal course of business. Thus the Supplier waives the objection of delayed notice of defects.
- 10.2 Any payment made prior to the detection of defects or the acceptance of delivery items by Webasto and/or the customer, the acceptance of delivery items and/or other releases shall not constitute acknowledgement of the delivery items being free from defects and shall not release Supplier from the warranty and/or his indemnity according to the terms and conditions of the delivery contract and/or these Webasto Terms and Conditions.

## **11. Warranty Claims**

- 11.1 Regardless of the warranty according to Number 11 the Supplier guarantees that all delivery items a) conform to the specifications, especially the prototypes and drawings, and other requirements placed on them, b) are free from any defect in design, production and material, c) are of merchantable, but at least the agreed upon quality and d) are fit for the particular purposes for which they are purchased. Any delivery items, which are found not to meet any of the above-mentioned requirements, shall be deemed to be "defective delivery items".
- 11.2 If defective delivery items are discovered prior to the start of production (processing or installation) or use, Webasto shall first of all give the supplier the opportunity to sort out defective delivery items and to eliminate the defect or make a replacement delivery, setting a reasonable deadline, unless this is unreasonable for Webasto. If this is unacceptable to Webasto, especially in view of a smoothly running production, smoothly running operations or to reduce Webasto's or a Webasto customer's damages, Webasto can undertake to rectify the defects itself or have a third party rectify them. The costs shall be borne by the Supplier. Webasto shall inform the Supplier about the removal of defects.
- 11.3 If the defect is only discovered after production, Webasto can demand the delivery of defect-free delivery items and reimbursement of all costs incurred in connection with the subsequent delivery (e.g. costs for examination, sorting, deinstalling/installing) as well as material. In the event that the delivery items are already in Webasto's or a Webasto customer's production or sales process or in use by the end customer, a deadline for supplementary performance shall be deemed to be dispensable. In the event the delivery items have already been installed and delivered to Webasto's Customer, and to the extent that Webasto does receive delivery items from its Customer for inspection, the Supplier shall receive parts for inspection. The Supplier agrees to accept the determination of Webasto's Customer or from contracted third parties (e.g. workshop) as proof that the delivery items are defective, also without defective delivery items having been provided for inspection. Costs and expenses mentioned in Number 11 shall be reimbursed, if they incur, even if a replacement of defective parts is not necessary for subsequent performance, especially when defect-free or new software is installed.
- 11.4 Insofar as the delivery items to be replaced are not part of the diagnosis of defects or are not made available to the Supplier for technical analysis or reworking, Webasto shall scrap them at the Supplier's expense or instruct the Supplier to scrap them at his own expense. Unless agreed otherwise the Supplier has no right to distribute or use the defective delivery items for his/her own purposes or the purposes of third parties. Webasto reserves the right to verify the fulfilment of the Supplier's obligations according to this Number 11.4 on the Supplier's premises.
- 11.5 In case of defects the Supplier is not entitled to right of retention.
- 11.6 The warranty period for delivery items shall be thirtysix (36) months with the exception of delivery items used in Webasto products and/or vehicles for the North American market (USA, Canada, Puerto Rico, Mexico), for which the warranty period shall be fortyeight (48) months. If clients of Webasto assert a warranty claim towards the end of the aforementioned periods, these periods shall be extended by six (6) months. The warranty period shall in each case be calculated from the initial registration of the end product (vehicle or machine) or, for delivery items for retrofitting purposes, from the assembly of the Webasto product. The maximum warranty period in both cases shall be no longer than sixty (60) months upon delivery of the delivery items. The abovementioned respective warranty periods do not apply if the Supplier has concealed the defect of a delivery item and if the applicable legal warranty periods for these cases are longer. But if the legal warranty periods are shorter, even in the case of fraudulent intent, the abovementioned warranty periods apply. If legal requirements outside of Germany and/or countries, where products or spare parts by Webasto

or by Webasto customers are distributed, provide for a longer limitation period for defect claims, these periods apply instead of the warranty periods stipulated in this Number 11.6.

11.7 Insofar as the abovementioned is not regulated differently, other claims for compensation and damages for the delivery items of defective delivery items as well as other legal or contractual rights shall remain unaffected by the stipulations of Number 11.

## 12. Liability

12.1 If any third party asserts any claim against Webasto under liability without fault, especially product liability, the Supplier shall indemnify Webasto from such claims and the ensuing compensation and damages (including legal costs), insofar as the delivery item's defect was caused by the Supplier.

12.2 If Webasto and/or third parties, especially the manufacturers of the vehicles (or any other end products) into which the delivery items or products, components, software or systems containing the delivery items have been assembled, execute measures to prevent damages, e.g. a recall, any other field- or garage action, customer service campaign or other measures (hereinafter collectively referred to as "recall"), either upon their own decision or upon the decision of any public authority, the Supplier shall be liable for any and all expenses and damages in connection with such recall (including legal costs), to the extent that such recall results from the delivery of defective delivery items or from any other violation of the delivery agreement by the Supplier.

12.3 the Supplier shall support Webasto upon request in appropriately clearing up and preventing third party claims. Webasto will inform the Supplier in case of such liability cases about the details as well as give the Supplier opportunity to investigate the incident, unless the informing or including the Supplier is not possible or unacceptable to Webasto due to special urgency.

12.4 Webasto's other legal or contractual rights, especially for product liability reasons, unallowed handling and/or unlawful acts and agency of necessity, remain unaffected by the stipulations of Clause 12.

12.5 If the supplier transfers employees to Webasto within the framework of the fulfillment of his obligations under the delivery contract or other agreements, this shall not result in an employment relationship between Webasto and the transferred employees. In this case, the Supplier alone shall be responsible for the proper payment of all taxes and levies arising from the activities of the employee entrusted to him/her, in particular for the proper payment of the respective social security contributions. The Supplier shall indemnify Webasto in full and on first demand from any claims and/or the assertion of claims by third parties arising therefrom, in particular from any false self-employment or the accusation of false self-employment.

## 13. Insurance

the Supplier undertakes to purchase and maintain appropriate insurance coverage with regard to his obligations. The Supplier undertakes to take out and keep operating liability insurance with extended product liability with coverage for deinstallation and installation costs and a vehicle recall cost insurance with an appropriate amount insured of at least 5 million euros and for delivery items with high risk, especially electronic parts, of at least 10 million euros per damage event. Proof of this insurance is to be shown to Webasto before the Agreement is finalized both in reference to the scope of coverage and amount insured in the form of a written confirmation by the insurance provider. the Supplier shall annually submit proof of the existence of this coverage without being requested in the form of written confirmation by the insurance provider.

## 14. Third party rights, proprietary rights, rights of use

14.1 the Supplier shall ensure that the delivery items, the production processes as well as the use of the delivery items does not infringe any domestic or foreign patents, utility models, copyrights, design patent as well as trademark right or other intellectual property rights (together "**proprietary rights**") of any third party. The Supplier shall be liable for compensation and damages incurred from the infringement of these third party rights (including legal costs). Moreover, the Supplier shall indemnify Webasto from and against all legal disputes, claims or demands of third parties arising out of the actual or alleged infringement of proprietary rights by the use or the sale of the delivery items.

14.2 The Parties shall inform each other immediately when infringement risks and alleged infringement cases become known and to support each other free of charge and in any way appropriate in avoiding possible claims, e.g. in the analysis and and evaluation of documentation.

14.3 Where the use of the delivery items by Webasto requires industrial property rights and/or copyrights of the Supplier, the Supplier grants Webasto free of charge the world-wide, irrevocable right to use, repair or copy delivery items which have been delivered under a delivery agreement, either directly or through third parties.

14.4 If standard user software is the object of a delivery agreement, the right of use pursuant to Number 14.3 above shall apply and be freely transferable. Supplier shall be obliged to provide Webasto with the required

software. Remuneration for multiple use shall be explicitly excluded. Supplier warrants that the sold software is free from any virus or similar defect.

14.5 If a delivery agreement contains development work remunerated by Webasto, either by means of a unique payment or through the price of the parts, any and all development results, especially know-how, trial and development reports, incentives, ideas, designs, layouts, drawings, suggestions, patterns, models, software including source code, data, CAD including history etc. (together “**work results**”), which the Supplier attains or uses, shall become property of Webasto. In this respect, the Supplier shall ensure that he is able to acquire and transfer to Webasto the rights to intellectual property development results, in particular inventions. Insofar as development results, in particular inventions, are capable of being protected by intellectual property rights, the Supplier shall notify Webasto without delay. Webasto shall be entitled to register industrial property rights in its own name and for its own account. Webasto may demand the Transfer of the protectable results within four (4) weeks of notification by the Supplier. The Supplier is then obliged to transfer his rights to Webasto without delay. If Webasto decides against an application or if Webasto is no longer interested in an already applied for industrial property right, the Supplier can pursue the application at its own expense. In this case, however, Webasto shall retain an unrestricted, non-exclusive right of use free of charge.

Insofar as the deliverables are protected by the Supplier’s copyrights, the Supplier hereby grants Webasto free of charge the irrevocable, non-exclusive, world-wide license to use, modify and edit these results in all types of use. Insofar as proprietary rights or patentable results arise from the services provided within the scope of the Supplier’s delivery contract, Number 14.5, first and second sentence apply accordingly. In the case of existing industrial property rights, copyrights and/or protectable rights, which are already in existence at the time of the conclusion of the delivery contract, and which are contained in the deliverables, Webasto receives an irrevocable, non-exclusive and sublicensable right of use that is unlimited in terms of time and space, which includes free use for the purposes of production and further development both by Webasto and also for Webasto by third parties.

## **15. Product labeling**

Supplier shall label the delivery items as specified by Webasto or as agreed. Any delivery items bearing a trademark or identifying mark proprietary to Webasto or provided with corresponding equipment, or packed in Webasto original packaging may be delivered by the Supplier solely to Webasto or to a third party designated by Webasto. Any further right to use the trademark and/or identifying mark shall not be granted to the Supplier. If delivery items marked with a Webasto trademark or identifying mark are rejected as completely or in part defective and/or defective, the Supplier shall disable them at the Supplier’s cost. In the event of a violation of any of the above obligations, Webasto shall be entitled to cancel the order without notice, to demand surrender of that which the Supplier gained from the violation and compensation of the damage incurred to Webasto.

## **16. Provided property**

16.1 All tools, models, templates, matrices, prototypes, measuring instruments, devices, forms and related software, specifications, especially drawings, confidential details and construction data, e.g. CAD, as well as other related documentation, equipment, material or other production material, which were provided to the Supplier by Webasto or its Customer, partially or completely paid or to be amortized by Webasto or by Webasto’s Customer as well as any and all replacements, additions, attachments, accessories and maintenance shall be and remain property of Webasto or its Customer (together “**Provided Property**”) , unless agreed otherwise, and shall be let to Supplier only on a loan basis.

16.2 Supplier may use the Provided Property for delivery to third parties only with prior written consent by Webasto. Supplier may use the Provided Property solely for the production of Goods under a delivery agreement with Webasto and may not use it for any other purpose or permit others to use it, unless with prior written consent of Webasto

16.3 Provided Property is to be clearly marked as the property of Webasto or its customers and kept safe and separate from the property of the Supplier. Supplier shall at Supplier’s own cost maintain the Provided Property in good condition and replace it if necessary. The Supplier assumes the risk for Provided Property as long as it is in his custody or under his control. Supplier shall at Supplier’s cost insure the Provided Property to an amount equal to the replacement costs in the event of loss which would have to be paid to Webasto or its Customer. Supplier hereby assigns all claims for payment against the insurer to Webasto, and Webasto accepts this assignment. The Contractor shall handle the Provided Property carefully and without risk, and shall indemnify Webasto with respect to any claims, liability, costs and damages arising out of the use, storage or repair of the Provided Property, or in connection therewith. Webasto or its Customer is entitled to enter the premises of the Contractor during normal business hours and to check the Provided Property and the related records.

16.4 Webasto shall have the right to remove the Provided Property from the Supplier’s business premises or request its surrender at any time and without any reason and without any payment. Upon such request by

Webasto, Supplier shall immediately surrender the Provided Property and prepare it for shipping or deliver it to Webasto or its Customer. Webasto shall reimburse Supplier for reasonable delivery costs. Supplier shall have no right of retention with respect to Provided Property, neither from outstanding payment demands nor for any other reason.

#### **17. Delivery of spare parts**

For delivery items which will be incorporated into products for vehicles and/or a different Customer product, the Supplier shall ensure satisfaction of Webasto's spare parts requirements during and fifteen (15) years after the end of the Customer's series production. Webasto shall inform the Supplier, upon request, of the end date of serial delivery. During the existence of the delivery contract, the price shall be the respective valid production price as set forth in the delivery contract, and during at least the first four years of the 15-year period, the price shall be the price as valid at the end of the serial production plus additional costs for packaging and processing which are to be agreed. If requested by Webasto, the Supplier shall provide servicing literature and other materials at no extra cost in order to support the spare parts sales activities of Webasto.

#### **18. Secrecy**

The Parties undertake to treat as business secret and confidential any and all not publicly known commercial and technical details, information and/or data, in no matter what form, of which they obtain knowledge by reason of the business relationships, especially models, templates, matrixes, samples, measuring instruments, devices, molds and related software, e.g. CAD, source code, specifications, especially drawings, confidential details and construction data and similar objects (together "**Confidential Information**") may not be let or otherwise made available to unauthorized third parties. The reproduction of any such Confidential Information shall only be permitted within the scope of operational requirements and within the scope of copyright law. Authorized third parties, sub-suppliers, proxies and co-workers shall be bound accordingly. Supplier may only use the business relationship for advertising purposes with prior written consent of Webasto.

#### **19. Retention of Title**

Unless otherwise agreed, ownership of the delivery items to be delivered and parts thereof shall be transferred proportionally to Webasto in accordance with their manufacture by the Supplier and their proportional payment by Webasto and otherwise with full payment. Any prolonged or extended reservation of title of Supplier shall be excluded.

#### **20. Tools of Supplier**

20.1 The Supplier grants Webasto the irrevocable option to acquire possession of and title to any tools which are necessary for, and specific to, the production of the delivery items ("Necessary Tools"), against payment of their present value, after deduction of any amounts already paid to the Supplier by Webasto or amortized via the purchase price of the delivery items. Such option shall not exist where the Supplier needs the Necessary Tools in order to manufacture the Supplier's other standard products.

20.2 The Supplier will provide Webasto with any technical information required by Webasto in order to install, assemble or otherwise use the Necessary Tools. Technical Information shall include design drawings, component drawings and installation drawings, and other technical documentation, test logs and results, data, software or any other information relating to delivery items and tools. Subject to the Supplier's patent and proprietary rights, technical information may be used and published by Webasto without any limitation. Design or production information, which is subject to any intellectual property right of the Supplier, may be used by Webasto only for Webasto's own purposes.

#### **21. Offset clause**

Webasto shall be entitled to offset any claim, whether due or not due, present or future, which Webasto SE or any company in which Webasto SE indirectly or directly holds an interest of minimum 50% may have against the Supplier, or to offset against any such claim that the Supplier may have against one of these companies. Upon request, the Supplier will be furnished with information regarding existing interest in companies.

#### **22. Ending the Contract**

22.1 Webasto has the right to terminate delivery contracts or any part thereof at any time and without giving any reason by means of a written declaration with a reasonable period of time (usually thirty (30) days). The Parties will then negotiate a reasonable compensation with the aim to reimburse the series price for all finished delivery items minus expenses saved and the direct costs of work in process and raw materials incurred by the Supplier, which the Supplier has produced or ordered in accordance with a binding release. Both Parties shall minimize the costs of this, e.g. by using the materials for other purposes.



22.2 In the event of a violation of any substantial contractual obligation by the other Party which, despite a written warning, is not discontinued within a reasonable period of time, the respective other Party shall be entitled to terminate the delivery contract without notice for cause or to cancel the delivery contract in whole or in part.

22.3 For Webasto cause exists, if a) the Supplier causes immediately successive, considerable missed deadlines, b) the Supplier repeatedly violates Webasto's quality specifications, c) against the Supplier's assets a petition in bankruptcy is filed (by the Supplier or by a third party, provided that the petition is not filed in abuse of rights) or a bankruptcy proceeding is commenced or dismissed for lack of assets, d) reasons for the opening of insolvency proceedings or a similar procedure on the assets of the Supplier exist or foreclosure proceedings have been instituted against the Supplier's total assets or a substantial part of such assets, e) if a material change in the ownership structure or the shareholders participation in the Supplier's company occurs, due to which Webasto cannot reasonably be expected to continue the delivery agreement, f) if Webasto's Customer has terminated the supply contract for the products in which the delivery items are incorporated and g) the Supplier's financial situation deteriorates significantly and thus jeopardizes the stability of the supply or if the Supplier stops making payments. The Contractor undertakes - except for the case mentioned in Number 22.3 f -- to notify Webasto immediately in writing of the occurrence of one of the events mentioned here.

22.4 If the delivery contract is terminated, the Supplier shall, upon Webasto's initial request, turn over to Webasto without delay and at the Supplier's own expense Provided Property as well as all Confidential Information, including copies of it, or destroy these at Webasto's request and confirm this in writing to Webasto. Moreover, if the delivery contract is terminated, Webasto also has the right to pass on to third parties all information from the terminated business relationship, which the third parties urgently need to produce Webasto's delivery volumes or items named in this delivery contract, insofar as the corresponding information is not protected by industrial property rights. Agreed provisions on the handling of deliverables remain unaffected and are still valid after the termination of the delivery contract.

22.5 The Stipulations in Clauses 10 to 14, 17, 18, 22 to 24 shall remain valid after the termination of the delivery contract.

### 23. Compliance, social responsibility, sustainability

23.1 the Supplier undertakes to keep currently applicable laws and not to commit any actions or to refrain from actions that lead to criminal offense, especially due to fraud or infidelity, insolvency, offenses against competition, including import and export control, benefit granting, presumption of benefit, bribery, corruption or other corruption or similar offenses of persons employed by the Supplier or other third parties. In the case of an infringement, Webasto shall have the right to rescind or terminate the delivery contract without notice and the right to terminate any negotiations. Regardless of the prior, the Supplier is obliged to comply completely with all laws and regulations concerning him and the business relationship with Webasto, especially with regard to data protection.

23.2 For Webasto, it is also of great importance that entrepreneurial activities take into account the social responsibility of the employees as well as the company. This applies both to Webasto and to its suppliers. Thus the Supplier undertakes to comply with the following Standards:

- a) **Freedom of association, wages and benefits, working hours:** The basic right of all employees, to form trade unions and employee representations and to join them is recognized. Where this right is limited by local laws, alternative, compliant possibilities for employee representation should be encouraged and/or not hindered. Equality of opportunity and equality of treatment, irrespective of ethnic origin, color, sex, religion, nationality, sexual orientation, social origin or political attitude, insofar as it is based on democratic principles and tolerance against other considerations, shall be guaranteed. Employees are selected, recruited and promoted on the basis of their qualifications and abilities. Compensation and social benefits are to be guaranteed according to the basic principles of minimum wages, overtime and social benefits prescribed by law. Working hours must comply with applicable laws, industry standards or relevant ILO conventions. Overtime should only be provided voluntarily, and at least one free day must be given to the employees after six (6) consecutive working days. In addition, Webasto disclaims any knowledge of the use of compulsory labor, including bonded labor, or forced labor by prisoners. F
- b) **Prevention of child labor:** the Supplier guarantees for his company that the production or processing of the delivery items to be delivered is or has been carried out without exploitative child labor within the meaning of ILO Convention No. 182, as well as without violations of obligations resulting from the implementation of this Agreement or from other applicable national or international rules to combat exploitation of child labor. Furthermore, the Supplier ensures that his company and its suppliers have taken active and effective measures to exclude exploitative child labor within the meaning of ILO Convention No. 182 in the manufacture or processing of the delivered goods. the Supplier shall obligate his subcontractors accordingly, and the subcontractors shall undertake to oblige their subcontractors accordingly and carry out control measures in this regard. Webasto will review the content of this assurance and the Supplier will provide proof of its actions upon request from Webasto.

- c) **Free choice of employment:** the Supplier will not employ anyone against his will or force him to work. Employees must be free to terminate the employment relationship with due notice. Employees must not be required to provide their identity card, passport or work permit as a precondition for employment.
- d) **Health and safety:** As an employer, the Supplier guarantees the safety and health of the workplace within the framework of national regulations and supports a continuous development for the improvement of the working world.
- e) **General environmental responsibility, environmentally friendly production and products:** Webasto is committed to environmental protection that addresses the causes, assesses the impact of production processes and products on the environment in advance, and incorporates them into business decisions. At the same time, production processes and products are holistically designed to conserve resources and to be environmentally compatible. The Supplier will use, as far as environmental protection is concerned, the precautionary principle, take initiatives to promote more environmental responsibility and promote the development and diffusion of environmentally friendly technologies. He/she will guarantee a high degree of environmental protection in all production phases. This includes a proactive approach to avoid or minimize the impact of accidents that can have a negative impact on the environment. The application and further development of water and energy saving technologies - characterized by the use of strategies for reducing emissions, reuse and reprocessing - is particularly important.
- f) **Further product-related environmental standards:** All products manufactured along the supply chain must meet the environmental protection standards of their respective market segments. This includes all materials and substances used in production. Chemicals and other substances that are hazardous when released into the environment must be identified. It is necessary to set up a hazard management system for them to be handled, transported, stored, recycled or reused and disposed of safely by suitable procedures. Suppliers of production materials are obligated to introduce a certified environmental management system according to ISO 14001, EMAS or a comparable standard, at the latest two years after the conclusion of the delivery contract, during the entire duration of the business relationship with Webasto and to submit corresponding proof. Renewed proof shall be presented to Webasto in time before the current one expires.

Furthermore, the Supplier undertakes for delivery items a) in the form of moving parts (where at least one (1) part moves (e. g. pneumatic cylinders, electric motor), which do not represent a machine or plant, to provide a manufacturer's declaration according to the respective legal basis, b) in the form of machines and plants for production (e. g. turning machine, assembly plant, automatic packaging machine, test stand) to submit a CE declaration of conformity or a declaration of conformity with a comparable standard according to the respective legal basis, c) which constitute a hazardous substance, to provide a safety data sheet according to the respective legal basis in the German or English language or in the national language of the country in which the commissioning Webasto company has its registered office, d) in the form of materials made of ceramic fibers and/or glass fibers, or which contain them, to provide a safety data sheet according to the respective legal basis in the German or English language or in the national language of the country in which the commissioning Webasto company has its registered office. In addition, the Supplier undertakes to observe the relevant standards, laws and other regulations applicable to the delivery items in the buyer's and manufacturer's country, such as VDE regulations for electrical parts, the European end-of-life vehicle directive as well as the European dangerous goods ordinance. Supplier shall indemnify Webasto from and against any and all claims under private or public law arising from a violation of such provisions. Supplier shall provide and/or include all required inspection documents and certificates as agreed.

Furthermore Webasto expects its suppliers, within the framework of their due diligence, to avoid any minerals originating from smelting in conflict areas. Minerals are classified as conflicted when direct or indirect support is given to non-governmental armed groups through their extraction, transportation, trade, handling / processing or export. Information on the melts or refineries used by the Supplier or sub-the Supplier for minerals, e.g. tin, tantalum, tungsten and gold, must be transmitted to Webasto at Webasto's request. Webasto also urges its suppliers to meet their due diligence along the supply chain. This includes the implementation of measures to ensure that the minerals used by the Supplier, in particular tantalum, tin, tungsten and gold, do not contribute to the direct or indirect promotion or support of armed conflicts.

- g) **Promotion of Standards in the supply chain:** the Supplier shall pass on the contents of the sustainability standards listed in Clause 23.2 a) to e) to his suppliers, obligate them accordingly and check compliance with the sustainability standards in the supply chain.

23.3 Webasto reserves the right to check by means of internal and/or external experts for compliance with the requirements, as set out in section 23.2, at the Supplier's location only with prior notice and in the presence of representatives of the Supplier, at regular business hours and in accordance with applicable law, in particular data protection. Prior to conducting an audit, the parties conclude an appropriate non-disclosure agreement that complies with the Webasto standard and approve an appropriate content and scope of the audit as well as its timing. Webasto will ensure that any Webasto experts involved in carrying out the audit will also conclude an appropriate secrecy agreement with Webasto. In the context of the audit, no insight into personnel records, employee contracts, billing documents or salary documents, social insurance documents or comparable documents of this type will be taken, insofar as the entity to be audited at the Supplier (company, plant, etc.) assures in writing that, to the best of their knowledge, no circumstances are known in which local laws are being violated. If the Supplier agrees to an appropriate inspection, the inspection shall always be made anonymously, taking into account the respective applicable data protection laws. The details of the inspection shall be agreed by the Parties beforehand. Any audit that may be carried out will, moreover, be limited to the examination of systems and processes for the prevention, detection and suppression of possible violations, unless the parties agree otherwise in individual cases. At the time of the audit, photographs and / or copies are not produced at any time, unless the Supplier grants his prior consent. In the case of obvious and serious breaches, however, the Supplier will not refuse his consent without cause.

## **24. General Provisions**

24.1 Irrespective of Clause 11.5, the Supplier is entitled to withholding rights only if his counterclaims have been legally established, undisputed or acknowledged by Webasto. Moreover, the Supplier may only exercise withholding rights insofar as his counterclaims rest on the same legal relationship.

24.2 Place of performance shall be the plant or Webasto location where the products are to be delivered under a contract.

24.3 Unless explicitly agreed otherwise in a delivery contract, the delivery contract, including these Webasto Terms and Conditions, shall be subject to the law of the state (or country) where the Webasto entity placing the order has its seat of business. The provisions of the United Nations Conventions on Contracts for the International Sale of Goods (CISG) and the conflict of law provisions shall be explicitly excluded. Webasto and Supplier submit to the exclusive jurisdiction of the courts at the seat of business of the Webasto entity placing the order for any disputes arising in connection with a delivery agreement. Furthermore, Webasto shall be entitled to take legal action against Supplier also at the courts competent for Supplier's place of business.

24.4 Should any provision of these Webasto Terms and Conditions or the further agreements made be or become invalid, the validity of these Webasto Terms and Conditions or the further agreements made shall remain unaffected. The same shall apply if there is a gap that needs to be filled in after conclusion of the delivery contract. The Parties are obligated to replace the ineffective provision with a regulation which matches as closely as possible in its economic success. The same applies in the case of a contractual gap.