

GENERAL TERMS AND CONDITIONS OF PURCHASE, KUPEK GMBH

1. Orders

Our orders are valid in written form only. We have to confirm oral orders, amendments or changes in written form to make them legally effective.

Deviations from the General Terms and Conditions of Purchase stated here shall apply only if they have been accepted by us expressly in writing. Our Terms and Conditions of Purchase shall apply equally to all future commercial transactions with the Suppliers even if no reference is made expressly to these terms.

2. Prices

The prices agreed are fixed prices.

If the prices at the date of placement of order are not yet fixed, they have to be stated in the confirmation of order and have to be accepted by us expressly in writing.

3. Terms of Delivery

The Supplier shall be responsible for the dispatch until the commodity is taken over by our staff. Terms of delivery shall be DDP (Incoterms 2010).

If, due to special arrangements, the freight charges are payable by Kupek, the Supplier shall hand over the commodity to the carrier we appointed. The Supplier shall refund to Kupek any additional costs of the transport if the commodity is handed over to another carrier. Every consignment shall be transported on the most appropriate and cost saving way. Charges for loading and freight shall be carried by the Supplier. We shall not accept cash on delivery parcels. We shall refund packing material only on special agreement. The Supplier must stow the commodity carefully and adequately and enclose the necessary transport documents (way bill, delivery note). The Supplier shall be liable to us for any damage due to inadequate packing. If it was agreed, we shall send back special packages at no charge to the Supplier.

We are authorized, but not obliged to accept not agreed partial -, excess- or short deliveries, unless excess- or short deliveries caused by bulk production are regulated by DIN. The Supplier must inform us promptly about any delay in delivery reporting about reason and expected duration of the delay.

Agreed delivery dates and terms are binding. The delivery date or delivery period shall be deemed the day the goods are received in our warehouse. The Supplier shall be liable to us for any direct and indirect damage suffered by us as the result of delays in delivery. In case of delay of delivery we reserve the right to cancel the contract without explicit pain of penalties and without denial of fulfilment, after sending a reminder with fixing an appropriate period of time. Alternatively we reserve the right for compensation due to failure to fulfil obligations, we demand to fulfil these obligations and demand in addition compensation for the damage caused by this delay.

It is at liberty of the Supplier to reduce the obligation for compensation by verifying that there was no or only minor damage.

Confinements in business activities, caused by force majeure, industrial conflicts, riots, governmental provisions, as well as other unforeseeable, inevitable and serious events, shall release the contractual partners from their liabilities for the duration of these incidents and to the extent of their impact. This shall also be valid when these events occur at a point in time when the contractual partner is already in default. The contractual partners are bound to give the necessary information without delay and to readjust their obligations on a bona fide basis as far as this shall be

economically reasonable. Claims for damages, valuable consideration or cancellation of the contract shall be excluded in these cases. The Supplier shall then on our request keep the commodity on stock according to the rules and at his risk and expense until the confinements in business activities are terminated.

4. Warranty, quality

The Supplier shall execute the supply according to the made agreements, the predetermined drawings, details, samples and similar instruments which exactly define the object of services. If any changes occur in the production of the supplier between contract conclusion and execution of supply, the Supplier shall inform us without delay about these changes.

The quality responsibility for the parts to be supplied shall be exclusively with the Supplier. Material certificates, dimensional certificates and first sample reports are to be included at no cost with every consignment by the Supplier. Kupek shall explicitly inform the Supplier about the documents to be furnished either in the context of the general business relations or in individual cases by specifications on the order documents.

An obligation for examination and notification of defects by Kupek acc. to § 377 HGB is excluded. We only shall be obliged to control the commodity by means of the delivery note and with regard to transport damages. We shall give notice about any defects within eight days. This period for notification of defects shall be valid also for damages discovered at a later date. At large the legal provisions by applying the time bar of 24 months for defects shall be valid for our right to assert claims for defects and warranty.

We shall impose an expense allowance of 50,--€ + VAT for each claim in order to compensate the immediate costs generated by this claim. We shall deduct this lump sum expense allowance in cases when we charge the Supplier for the complete amount of the actually incurred claim costs.

5. Regress

The Supplier shall indemnify us on first request from regress for a defect for which he is responsible in case we have to be liable for a defect of a commodity supplied by the supplier due to producer or product liability or due to other liability provisions.

If we are otherwise hold liable for a defect of a commodity sold by the Supplier, we shall have the right to comprehensively assert claims against the Supplier according to § 478 BGB; an exception shall only be made if we are offered an equivalent compensation for the right of recovery prior to that.

Irrespective of the above mentioned right of recovery we shall have the right to request from the Supplier rectification of defects. If the Supplier is not fulfilling this obligation for rework within appropriate time, we shall be entitled to undertake remedy of the defects ourselves or have them undertaken by a third party, in both cases at the expense of the Supplier.

6. Safety regulations, industrial property rights and WEEE regulations

6.1 The consignments have to be in accordance with the Protective Law for Machines, the provisions of the Employer's Liability Insurance Association and the Trade Supervisory Offices.

6.2 The Supplier is liable that the objects he offered, respectively supplied, do not violate any industrial property rights. The Supplier shall be obligated to take sides with us on our request in a judicial law suit at his own expense. We further shall be entitled to request an expert opinion of a qualified person of our choice about the prospects of the law suit at the expense of the Supplier. If the expert opinion is stating that an industrial property right is violated, we shall have the right to cancel the concluded contract with the Supplier. Any further rights of us shall remain unaffected.

6.3 The Supplier warrants that all regulations with regard to dangerous goods are observed. The Supplier warrants in particular that only staff which is especially trained for this purpose, is appointed to handle dangerous goods and substances and that only appliances, containers and utilities are used which are permitted for the transport of these dangerous goods and substances on public roads and other public traffic routes.

The Supplier shall be obliged to provide a summary of all dangerous goods and substances which he is using in order to carry out supply contracts and to provide the respective safety data sheets.

The Supplier shall have to indemnify the buyer from all titles or claims which are generated by the inappropriate and illegitimate use of dangerous goods and substances.

6.4 The supplier undertakes to comply with the German Act Governing the Sale, Return and Environmentally Sound Disposal of Electrical and Electronic Equipment (ElektroG) and to discharge the obligations resulting from it for the customer and – if said obligations cannot be transferred – to help the customer fulfil them. In this regard, the supplier undertakes in particular to affix the manufacturer's label in accordance with Section 7 Sentence 1 ElektroG to the subject matter of the contract free of charge for the customer and in compliance with the customer's stipulations and to label the respective subject matter of the contract with the symbol in accordance with Section 7 Sentence 2 ElektroG in conjunction with Annex 2 of the ElektroG in compliance with the customer's stipulations.

7. Supplier's Declaration

A Supplier's declaration acc. to VO EWG 3351/83 for all consignments is to be furnished, stating the country of origin for each order position.

8. Transference of rights

The Supplier shall not be allowed to have the order carried out by a third party without our written agreement.

The Supplier shall only be entitled to assign or to make a title to financial benefits directed towards us, with our prior consent in written form. The Supplier shall only have a right to retention or a right for set off of the contractual services, with our prior written consent to his rights against us or these rights have been established judicially and legally binding

9. Legal position ref. to samples, tools and documents

Tools, samples, drawings and other documents which have been handed to the Supplier for carrying out the order shall remain our property. The Supplier shall be obligated to handle these objects with care, to take care of their maintenance and, if necessary, to arrange for their replacement at his expense. The Supplier shall have to include the objects handed to him into his Business Liability Insurance, Fire Insurance and Data Processing Insurance at the current replacement value. The objects have to be sent back unrequestedly after the order has been carried out or has not been accepted.

The Supplier shall keep in confidence complete information, written or drawn documents, as well as design models. The

technical documentation must neither be duplicated and copied, nor made available to third persons or firms without our prior consent. We reserve the right to technical innovations, even in the event of granting of patent (Patent law §7). The Supplier shall only be allowed to inform his Sub-suppliers about these technical details with our prior consent in written form.

10. Payment, Transfer of ownership

An invoice in duplicate has to be sent to us by mail for each consignment. The duplicate has to be clearly marked as such. We shall be entitled to undertake a discount reduction of 3% for payments of the invoice within 14 days, respectively to pay within 30 days without deduction. The payment period shall start after receipt of the correct consignment and verifiable invoice.

In case of premature supply the due date shall be subject to the agreed delivery date. In case of inaccurate supply/service we shall be entitled to retain payment prorated to the value, until the consignment/service is duly received. If the most part of the consignment/service is not supplied, we shall be entitled to retain complete payment until consignment/service is supplied completely and properly.

The Supplier shall have the ownership of the goods supplied until full payment has been effected. (reservation of title). Justified reductions in payment of invoices shall not prevent the transfer of ownership.

The acquisition of ownership of contractual subjects which are produced exclusively for Kupek shall start already with the first activity of the Supplier in producing this contractual subject. This shall include e.g. the creation of constructions, tools, devices or wiring diagrams. In these cases Kupek shall gain an exclusive and by Kupek transferable entitlement to ownership by entering into the contract and in the frame of implied actions.

11. Minimum Wage

11.1. The supplier shall be obligated to compensate his employees according to the German Minimum Wage Law (MiLoG). The Customer may, at all times without giving reasons, demand that supplier shall prove his compliance with the MiLoG by providing supporting documents (particularly documents referred to in § 17 subparagraph 1 MiLoG, clearance certificates of the responsible Support Fund (Sozialkasse) or else) within 14 days after the demand during the term of contract and up to six month after termination of the contract.

11.2. Supplier shall exempt Customer from all third party claims (in particular employees of supplier, customers of Customer, Federal Employment Agency (Bundesagentur für Arbeit)) arising out of any breach of the obligation to pay the statutory minimum wage upon first request.

11.3 Supplier shall assure that he will only assign subcontractors that have ensured to fulfill the obligations referred to in clause 14.1 and 14.2 to the same extent. In case subcontractor on his part assigns subcontractors, supplier shall make sure that all specific subcontractors shall be obligated to the same extent as to the aforementioned clauses.

11.4. Supplier shall be liable to Customer for any third party claims arising out of any breach of the obligation to pay

12. Callbacks and other field campaigns

12.1 Is the buyer and/or the producer of the vehicles (or other final products) into which the commodities or products, components or systems containing these products

were built in, initiating a recall action, any other field campaign or customer service campaign (in the following called callback) as a result of his own decision or an official verdict, the Supplier shall be liable towards the buyer for all damages and arising expenses caused by this callback, as far as the callback can be contributed to the supply of a faulty product or to another infringement of the supply contract by the Supplier.

12.2 If goods are affected which are usually built-in or fixed to another good then supplier shall bear the costs for disassembly, removal and installation of the affected part in addition to the costs of repair, spare parts and transport of the goods.

13. Data protection

Supplier shall agree that we will store on computerized systems the necessary data of the supplier and the made contract with him in the frame of our business relations and that we shall use them exclusively for our own purposes within our firm. Additional agreements with regard to data protection will be regulated in separate agreements if necessary.

Kupek will store and handle personal data only according to the regulations of the German Data Protection Act (BDSG) and the General Data Protection Regulation (EU GDPR).

You can learn more about how we handle your personal data in our privacy policy.

14. Provisions with regard to business methods of the suppliers

In relation to our business partners, the company Kupek is attaching great importance to special criteria with regard to human rights, working conditions, fair competition and environmental protection. We are expecting that these criteria will be fulfilled.

The selection of and the continuous business relations with our suppliers is dependent on the adherence to the following standards for all products and services which we buy:

1. Observance of all valid laws and provisions.
2. Male and female staff members who have not yet reached the legal minimum age must not be employed.
3. Forced labour must not be applied.
4. Payment of appropriate salary and benefits according to legal or tariff regulations (please refer also to section 11, minimum wage).
5. Avoidance of excessive working hours, which violate the local rules or are not in accordance with the local business practices.
6. Avoidance of physical and mental compulsion of the employees.
7. Avoidance of illegal discrimination or disadvantage of employees.
8. Respect of the right of free association for each employee.
9. Guarantee of work safety and of health protection for the employee.
10. Protection of our confidential and proprietary information.
11. Renunciation of granting advantages in connection with placing orders.

12. Compliance with all relevant provisions for environmental protection and the protection of the environment from damage.

We reserve the right to check on the observation of these standards and those of our customers on site and to take suitable measures in case of non-compliance. For this purpose the supplier shall allow access to his premises, shall make consultations possible and make relevant documents accessible.

15. Place of jurisdiction and applicable law

Place of performance for our duties (especially our payments) are Schneckelohe, Germany.

Place of delivery is our registered business address in Sonneberg, Germany.

Contracts are concluded in German language.

Place of jurisdiction for all disputes shall be Coburg, but we reserve the right to turn to other permitted general or special places of jurisdiction.

All titles and rights from this contract are subject to the law of the Federal Republic of Germany (BGB, HGB). The conditions of the UN Purchasing Law (CISG) are explicitly excluded.

16. Severability Clause

If any of the single clauses of these conditions should be or become legally ineffective, shall this have no effect on the validity of the remaining conditions. The contractual partners are obliged to agree a new condition, which has to coincide to the utmost extent with the intention originally pursued. For any further provisions § 306 BGB shall apply.

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